



THE
JMB
GROUP

ANNUAL
REPORT
2015



Our **JOURNEY**
of **LOVE.**

Receivables MONEY
EXPRESS
A MEMBER OF THE JMMB GROUP

JMMB
Puesto de Bolsa S.A.

JMMB
INVESTMENTS
INVESTING & TRADING LTD

JMMB
INSURANCE
BROKERS LTD

IBI BANK

JMMB
FUND MANAGERS LTD



INTERCOMMERCIAL
TRUST & MERCHANT BANK LIMITED

— THE —
JMMB
— GROUP —

JMMB
MERCHANT BANK LTD

JMMB
SECURITIES
TRADING COMPANY

JMMB
SECURITIES
TRADING COMPANY

JMMB



The
JOURNEY
CONTINUES...



> OUR BRAND PROMISE

Our clients are at the heart of everything we do! We are their financial companion, with their best interests at heart. We promise to give them expert advice and deliver fair, simple solutions to achieve their goals. Being in their world, we go beyond financial services, and offer a unique experience across our Group locations.

> OUR MISSION

To maximize client satisfaction through exceptional client care and world class financial advice and expertise.

Solidity, ethics, credibility and openness are hallmarks of JMMB as experts in all aspects of our operations.

To be a dynamic, international, multifaceted financial group that has a caring, loving and fun environment where team members are productive, creative, happy and fulfilled.

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> CORPORATE PROFILE

Since its inception, JMMB has established itself as one of the leading brokerage houses in the Caribbean. The JMMB Group now offers a wide range of investment solutions, banking, remittances and insurance services in Jamaica, Trinidad and Tobago and the Dominican Republic. Known for its pioneering spirit, the JMMB Group has consistently introduced new products and services to its extensive client base of over 220,000 – individual, corporate and institutional.

JAMAICA: THE BEGINNING

The brainchild of the late Joan Duncan, JMMB opened for business in November 1992 as the first Money Market Broker in Jamaica. The vision was to provide great investment opportunities to Jamaicans from all walks of life and companies of all sizes so they could benefit from great returns on safe investments. As “Possibility Thinkers”, Joan Duncan and co-founder Dr. Noel Lyon, created a company based on love and committed to serving its clients, team members and shareholders.

Since then, the Company has become one of Jamaica’s largest securities

dealers with several subsidiaries in Jamaica, including: JMMB Securities Limited, JMMB Insurance Brokers Limited, JMMB Merchant Bank Limited, JMMB Money Transfer Ltd (formerly Capital & Credit Remittance Limited) and JMMB Fund Managers Limited. The JMMB Group, inclusive of its subsidiaries, has over four hundred team members, twelve locations and twelve Electronic Transaction Machines (ETMs) island-wide, offering dual currency options to ensure convenient access to a wide client base.

**JMMB’s Formula:
Vision + Values + Expertise
= Phenomenal Success.**

REGIONAL FOOTPRINT

In line with our 2025 vision, the JMMB Group began its expansion to other Caribbean markets in 1999, through a successful joint venture establishing Caribbean Money Market Brokers (CMMB) in Trinidad and Barbados.

In 2005, as a means of deliberate business line diversification in the region, JMMB acquired 50% shareholding in Intercommercial Bank Limited (IBL) in Trinidad and Tobago, and later in 2013, JMMB gained full ownership of IBL. Also in Trinidad and Tobago, the JMMB Group opened JMMB Investments (Trinidad and Tobago) Limited in 2012.

JMMB Dominican Republic opened its doors in 2006 and in October 2007 our

newly-formed company was officially called JMMB Puesto de Bolsa with a mandate to actively develop the Money Market in one of the largest Spanish-speaking Caribbean islands. There are currently two locations in the Dominican Republic.

JMMB is listed on the Jamaica, Barbados and Trinidad and Tobago Stock Exchanges.

BUSINESS LINE DIVERSIFICATION

On June 29, 2012, JMMB successfully completed the transaction to acquire the Capital & Credit Financial Group (CCFG) in Jamaica. This enabled the expansion of the JMMB Group to include the provision of merchant banking, remittance and unit trust products and services to its extensive client base.

This transaction has resulted in tremendous benefits for shareholders of both companies and their clients. It gives the expanded entity the opportunity to deliver stronger financial performance and increased efficiencies by extracting synergies in products, technology platforms and operations. This has increased the overall growth prospects of the JMMB Group and shareholder value.

In 2009, our operations in the Dominican Republic successfully completed negotiations to acquire majority shareholdings in a Savings and Loans Bank and are awaiting final regulatory approval to complete

the acquisition and expand its offerings. In 2013 JMMB gained full ownership of its first commercial bank. JMMB’s goal of becoming a fully-integrated regional financial services company was boosted with approval from the Central Bank of Trinidad and Tobago (CBTT) to acquire 100% of Intercommercial Bank Limited and Intercommercial Trust & Merchant Bank Limited (IBL Group) in Trinidad & Tobago (T&T).

In 2014, JMMB concluded the transaction to acquire full ownership of AIC Securities Limited in Trinidad and Tobago. The JMMB Group, through its subsidiary JMMB Investments (Trinidad and Tobago) Limited, will be using its acquisition of AIC Securities to further deepen the Group’s foray into Trinidad and Tobago. This will support an even more diversified bundle of financial solutions that serves to meet the financial goals and needs of its clients. With the conclusion of this acquisition, JMMB’s portfolio in Trinidad and Tobago will become further boosted by the inclusion of mutual fund offerings.

Indeed, the Company’s core values and principles ensure that JMMB continues on a path of sustainable growth in profitability and consistent growth in our client base through our commitment to meeting their needs.

FULFILLING OUR CLIENTS’ NEEDS

The main activities of our group of companies are:

- Investments: J\$, TT\$, Peso, US\$, Pounds, Euro, and CDN\$
- Portfolio Management

- Financial Advisory Services
- Retail and Commercial Banking
- Corporate Finance
- Equities Trading
- Bond Trading
- Unit Trust
- Cambio and FX Trading
- Remittance Services
- Pensions Management
- Insurance Brokerage (for individuals and companies)

CORPORATE CITIZENSHIP

JMMB takes its role as a socially responsible corporate citizen very seriously and this has been a guiding principle, and a part of our DNA, since inception. Hence, our structured programmes of Corporate Social Responsibility are delivered primarily through the Joan Duncan (JD) Foundation and localized community initiatives in the countries within which we operate.

COMMUNITY INITIATIVES

Throughout the years, our branches have extended our Vision of Love to communities across Jamaica, in particular, the communities in which we operate. This has been accomplished through our support of various initiatives in the areas of sports, health, education and general outreach. That same commitment to corporate social responsibility is key to JMMB’s operations in the Dominican Republic and Trinidad and Tobago in supporting local community initiatives.

Solidarity, ethics, integrity and openness are hallmarks of JMMB as seen in all aspects of our operations.

SUMMARY OF TWELVE MONTHS FINANCIALS RESULTS - MARCH 31, 2015:

J\$217.72B

TOTAL ASSETS

J\$21.72B

SHAREHOLDERS’ EQUITY

J\$10.38B

OPERATING REVENUE

J\$2.05B

NET PROFIT

220,000+

CLIENT BASE



LONG-TERM
RESULTS
FOR OUR
SHAREHOLDERS

> GROUP CHAIRMAN & GROUP CEO REPORT

FISCAL YEAR 2014/15

The JMMB Group continued our impressive record of performance, innovation and leadership and is pleased to submit our report for the period ended March 31, 2015.

In 2014, we delivered strong results to our shareholders, an 18.2% increase in our financial performance over the prior year with net profits of J\$2.05 billion and operating revenues of J\$10.32 billion. Earnings per share stood at J\$1.18.

The performance of our business lines, both locally and regionally, continued to show strong and improved results, a positive outcome of our diversification strategy. Our Jamaican entities performed well against the backdrop of a changing and dynamic market environment, strong results from operations in the Dominican Republic and improved results from the Intercommercial Banking Group in Trinidad and Tobago contributed to our impressive financial results.

A more in-depth analysis of the performance of each business line and of our overall results is presented in the Management Discussion and Analysis Section of this Report.

KEY HIGHLIGHTS OF THE FY 2014/15

During the year, the Group focused on building-out our innovative Integrated Financial Services Model which is based on a culture of client financial partnership, and on a vision of delivering on our brand promise and customer value proposition. In Jamaica, the Knutsford Boulevard Branch was unveiled as an integrated entity offering investment, insurance and banking services to our clients at one location, in a warm family setting. Elements of this model were also implemented in the Dominican Republic for full roll-out in the 2015 Financial

Year. In Trinidad and Tobago, the foundation tracks will be laid in 2015.

Throughout the year, we continued to consolidate our acquisitions in Trinidad and Tobago and to build-out the operations of JMMB Investments Trinidad and Tobago Limited which was launched in early 2014.

CLIENT INTIMACY – THE HEART OF JMMB

Over the 2014-2015 period, we focused on our Client Value Proposition of being our clients' financial partner, keeping their best interests at heart, through education, additional product offerings and the provision of simple, transparent solutions based on their life goals. Our corollary commitment to making our clients' experience easy, enjoyable and empowering was always at the forefront of our thought and action.

BUILDING ON A PROUD RECORD OF CITIZENSHIP & NATION BUILDING

Our corporate citizenship efforts continued to make a meaningful impact in 2014 through the Joan Duncan Foundation in Jamaica and through various initiatives in the Dominican Republic and in Trinidad and Tobago. Our collective Corporate Social Responsibility efforts focused on key areas such as improved educational opportunities, entrepreneurship, community development and transformational training.

In the spirit of giving, JMMB team members across the region enriched the lives of others in their communities through extensive volunteer efforts on various outreach projects and initiatives. A more detailed update is presented in the Joan Duncan Foundation report.

ACKNOWLEDGEMENT & ACHIEVEMENTS

Our Board of Directors continued to demonstrate high levels of engagement, good governance and a deep sense of commitment to the success of the JMMB Group. We thank them for their support and contribution throughout the year.

Our management team and our team members do outstanding work every day, sometimes under challenging circumstances. For this, we acknowledge the guidance and expertise of the leadership team and the tireless efforts of all team members who serve and provide value to our clients, every day.

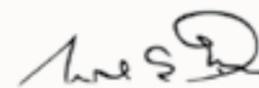
A special thank you to our valued shareholders and clients who continue to walk with us on our Journey. We appreciate your support and belief in the JMMB Group. We thank you for your continued loyalty and for choosing JMMB as your financial institution of choice.

The year also brought with it accolades, including the JMMB Group's 2014 Annual Report being recognized as first place in its category by the Jamaica Stock Exchange at its tenth annual Best Practices Awards. We are thankful, humbled and proud of this achievement and applaud the team that continues to work hard to produce timely and quality annual reports.

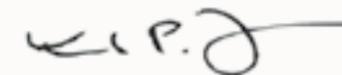
ON TRACK FOR LONG-TERM SUCCESS

We are confident that the future holds great opportunities for the JMMB Group and firmly believe the Group is on track for continuing the path of growth and success. We are also confident that our actions to develop a more robust business model will further enhance the Group's performance. Additionally, we continue to put measures in place to streamline our operational synergies and to build our business by investing in infrastructure, technology and training and by improving channel delivery of our products and solutions to our clients.

To all who share our passion for seizing the great opportunities that lie ahead and in our vision for helping our clients experience true financial well-being, we express our gratitude.



Noel A. Lyon
Group Chairman



Keith P. Duncan
Group Chief Executive Officer



TEN-YEAR STATISTICAL REVIEW

Year End Results to March 31, 2015

	Year ended 31-Mar-15 (J\$'000)	Year ended 31-Mar-14 (J\$'000)	Year ended 31-Mar-13 (J\$'000)	Year ended 31-Mar-12 (J\$'000)	Year ended 31-Mar-11 (J\$'000)	Year ended 31-Mar-10 (J\$'000)	Year ended 31-Mar-09 (J\$'000)	Year ended 31-Mar-08 (J\$'000)	Year ended 31-Mar-07 (J\$'000)	Year ended 31-Mar-06 (J\$'000)
GROUP FINANCIAL DATA										
Total assets	217,715,302	206,706,119	166,860,961	124,736,554	113,019,058	122,975,370	111,193,465	102,415,766	89,618,957	81,880,170
Investment Securities	157,226,757	145,777,726	138,412,944	108,153,801	98,233,393	104,887,535	96,260,862	85,570,383	76,362,152	63,285,620
Other interest earning assets	50,869,527	50,530,581	14,118,039	5,929,366	3,996,291	6,113,434	4,904,285	8,395,103	6,709,864	11,230,218
Repurchase agreements	144,501,658	143,302,425	135,907,311	107,591,924	97,068,266	102,844,985	90,110,998	88,246,690	77,353,059	70,761,258
Customer deposits	38,463,504	35,887,750	7,567,380	-	-	-	-	-	-	-
Stockholders' equity	21,723,064	18,688,980	17,212,876	10,872,131	9,402,331	6,890,736	5,326,814	6,660,504	7,244,608	7,198,449
Funds under management (on and off balance sheet)	238,695,980	223,584,330	165,584,482	121,683,458	111,423,910	122,876,617	110,184,670	111,757,466	88,631,247	79,414,404
PROFITS AND DIVIDENDS										
Operating revenue net of interest expense	10,319,661	8,732,250	6,243,316	5,987,479	4,073,084	3,095,678	4,849,213	3,324,949	3,384,483	2,845,131
Operating expenses	7,787,697	5,670,247	4,616,625	3,214,703	2,585,949	2,109,128	2,455,567	2,177,396	1,708,729	1,496,190
Profit before tax	2,354,039	3,398,051	3,647,375	2,814,017	1,509,635	1,028,312	1,544,528	1,254,902	1,526,459	1,844,422
Net profit	2,047,282	3,062,059	3,856,863	2,240,456	1,142,930	986,378	1,102,622	1,061,610	1,098,603	1,590,430
Dividends paid and proposed (in respect of the financial year)	521,776	538,082	375,027	453,650	234,142	204,874	175,606	336,579	292,677	263,411
Profit retained (in respect of the financial year)	1,525,506	2,523,977	3,481,836	1,786,806	908,788	781,504	927,016	725,031	805,926	1,327,019
FINANCIAL RATIOS										
Earnings per stock unit (cents)	118	174	235	151	76	67	75	73	75	109
Dividends per stock unit (cents)	32	33	23	31	16	14	12	23	20	18
Dividend payout ratio	25.5%	17.6%	9.7%	20.2%	20.5%	20.8%	15.9%	31.7%	30.6%	16.6%
Price earnings ratio (multiple)	6	4	3	6	6	6	8	16	14	12
Return on average equity	10.13%	16.83%	27.47%	22.10%	14.03%	16.15%	18.40%	15.27%	15.21%	24.47%
Return on average assets	0.96%	1.58%	2.65%	1.88%	0.97%	0.84%	1.03%	1.11%	1.28%	2.18%
Book value per stock unit (J\$)	12.86	11.24	10.24	7.37	6.39	4.69	3.63	4.54	4.95	4.92
Net interest margin	2.60%	3.02%	3.05%	3.10%	2.46%	1.71%	1.34%	1.63%	1.68%	1.79%
Efficiency ratio (Admin. exp/ Revenue)	75.01%	64.86%	73.08%	53.59%	63.08%	67.80%	49.70%	65.49%	50.52%	52.60%
Capital Adequacy Ratio (Company only)	14.24%	16.95%	16.65%	22.61%	39.88%	44.60%	47.40%	-	-	-
OTHER DATA										
Exchange rate J\$ per US\$1.00	114.77	109.28	98.41	87.10	85.63	89.39	88.35	71.02	68.14	65.50
Inflation rate (year over year) (%)	4.00%	8.35%	9.13%	7.30%	7.80%	13.31%	12.40%	19.90%	6.60%	11.10%
Market Price per share (JSE closing price-J\$)	7.06	7.04	6.20	9.81	4.61	4.00	6.00	11.75	10.50	12.62
Number of stock units at year end	1,630,552,530	1,630,552,530	1,630,552,530	1,463,386,752	1,463,386,752	1,463,386,752	1,463,386,752	1,463,386,752	1,463,386,752	1,463,386,752
Market capitalisation	11,511,700,862	11,479,089,811	10,109,425,686	14,355,824,037	6,746,212,927	5,853,547,008	8,780,320,512	17,194,794,336	15,365,560,896	18,467,940,810



PROVEN EXPERTISE

EFFECTIVE CORPORATE
GOVERNANCE

> BOARD OF DIRECTORS

1 Wayne
SUTHERLAND

2 Rodger
BRAHAM

3 Carolyn
DaCOSTA

4 Archibald
CAMPBELL

5 Reece
KONG

6 Anne
CRICK

7 Andrew
COCKING

8 Keith
DUNCAN

9 Noel
LYON

10 Donna
DUNCAN-SCOTT

11 Audrey
WELDS

12 Hugh
DUNCAN

13 Dennis
HARRIS

14 V. Andrew
WHYTE

15 Audrey
DEER-WILLIAMS



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> BOARD OF DIRECTORS

NOEL LYON, Ph.D

CHAIRMAN

Noel Lyon was appointed Chairman of the Board in 1992 and currently chairs subsidiaries, including JMMB Insurance Brokers Limited, JMMB Securities Limited, JMMB Money Transfer Limited, JMMB Fund Managers Limited, Capital & Credit Securities Limited, JMMB Puesto de Bolsa, S.A., Intercommercial Bank Limited, and Intercommercial Trust and Merchant Bank Limited, JMMB Investments (Trinidad and Tobago) Limited and AIC Securities Limited. Dr Lyon is also a director on the Board of JMMB Merchant Bank Limited.

He has served on the Boards of several private and public entities including the National Development Bank of Jamaica Limited, Jamaica Venture Fund Limited, Bank of Jamaica, Frome Monymusk Land Company Limited, Jamaica Bauxite Mining Co. Limited, Jamaica Stock Exchange Limited, Jamaica Unit Trust Services Limited, Clarendon Alumina Production Limited, and Braco Resorts Limited

KEITH DUNCAN

GROUP CHIEF EXECUTIVE OFFICER

Keith joined JMMB as Trading Manager in 1993, and in 2000 became the Deputy Managing Director. He was promoted to Group Chief Executive Officer in 2005 and has responsibility for overall performance and charting the strategic direction of the Group.

A true visionary and strategist, he has built one of the strongest trading teams in Jamaica. His financial expertise has not only benefited the JMMB Group, but also the Jamaican financial sector. A former president of the Jamaica Securities Dealers' Association, he was involved in the partnership with the Financial Services Commission (FSC) in designing and implementing new structures and models to enhance the effectiveness of Jamaica's market players. In March 2011, under his leadership, JMMB was conferred with the prestigious Jamaica Chamber of Commerce 'Best of the Chamber Award' in the 'Large' category.

Keith served as a Vice-President of the Private Sector Organization of Jamaica during the period 2012 - 2014 and continues to contribute to Jamaica through various roles including his membership on the Economic Programme and Oversight Committee (EPOC).

He is a Chartered Financial Analyst and holds a B.A. (Economics) from the University of Western Ontario in Canada.

DONNA DUNCAN-SCOTT

GROUP EXECUTIVE DIRECTOR, CULTURE & HUMAN DEVELOPMENT

A true visionary and possibility thinker, Donna is guided by the philosophy that: "We were born to manifest the glory of God. It is not just in some of us; it is in every one of us". She is committed to sharing this fundamental truth in all aspects of her life.

Since 2005, she has infused her zeal for empowerment and transformation into her role as Group Executive Director of Culture and Human Development. Currently she leads the design and development of programmes and practices to deepen JMMB's unique culture of being in the world of team members and clients and having their best interest at heart.

Donna has a B.Sc. in Engineering, as well as an MBA from the Richard Ivey School of Business at the University of Western Ontario in Canada. She also holds the distinguished Certified Financial Analyst accreditation.

ARCHIBALD CAMPBELL

GROUP DEPUTY CHAIRMAN

Mr. Campbell was appointed Deputy Chairman of JMMB in 2004 and is Chairman of the Board of Trustees of the JMMB Pension Fund and the Risk, Audit and Finance committees of JMMB Board, a Director of JMMB Merchant Bank Limited and a Director of the Bank's Credit Committee. He is a past president of the Institute of Chartered Accountants of Jamaica and has served as an accounting expert in arbitration as well as a Director of several companies.

He read for both his Masters and Bachelor of Science degrees in Accounting at the University of the West Indies. Mr. Campbell served as a faculty member at his alma mater and is its Chief Financial Officer/University Bursar with regional oversight of the institution.

CAROLYN DACOSTA

COMPANY SECRETARY

Carolyn has provided the JMMB Group with two decades of stellar service, beginning her stint in 1995 as a Branch Supervisor. She has held several senior positions including Branch Manager for JMMB's flagship location, Settlement Manager, Technical Operations and Compliance Manager.

She has operated in the role of Group Company Secretary since 2008. In this capacity, she has overarching responsibility for ensuring that the organization complies with standard financial and legal practices and maintains the defined standards of corporate governance. As such, she oversees the establishment, implementation and monitoring of the Group's compliance and regulatory framework.

In keeping with JMMB's commitment to effective corporate governance, she ensures the compliance of all relevant statutory and regulatory requirements, as well as the management of the internal audit process, monitoring changes in relevant legislation and the regulatory environment and taking appropriate action.

Carolyn's professional qualifications include a Bachelor of Laws from the University of London, A Bachelor of Arts from the University of the West Indies, and an MBA in Finance from the Manchester Business School. Additionally, she is a Fellow Member of the International Compliance Association and a Justice of the Peace for the parish of St. Catherine.

HUGH DUNCAN

GROUP HEAD CAPITAL MARKETS

Mr. Hugh Duncan has over 20 years' experience in the energy and financial services sectors. He brings to the Group a wealth of knowledge, financial management expertise and valuable experience, having held senior positions at Citibank (Trinidad) from 1989 to 1998. His international postings included Manila, Philippines, where he served for five years as a senior executive member of Citibank's international staff. He also held the position of Director, Capital Markets at FirstCaribbean International Bank for the Northern Caribbean region and subsequently Managing Director of Intercommercial Bank Group Limited from 2006 to 2011.

Mr. Duncan holds an MBA from Concordia University and a Bachelor of Commerce degree from Montreal's George Williams University. He sits on the Board of Intercommercial Bank Limited and serves on their Credit and Risk Committees.

▶ BOARD OF DIRECTORS

WAYNE SUTHERLAND

DIRECTOR

Mr. Sutherland is the Managing Director of Jamaica Venture Fund Limited, a company that makes venture capital investments. He was appointed to the Board of JMMB in 2003 and also serves as a Director of Intercommercial Bank Limited, JMMB Investments (Trinidad and Tobago) Limited, JMMB Securities (T&T) Limited and Intercommercial Trust and Merchant Bank Limited. He is the Chairman of JMMB Group Information Systems Committee and also sits on the Nominations and Corporate Governance Committee. A former director of Jamaica's Securities Commission, (now the Financial Services Commission), he is currently chairman of Kencasa Construction & Project Management Limited and the St. Hugh's Preparatory School Board. He sits on several other Boards including Mapco Printers Limited.

Mr. Sutherland holds a Bachelor of Science degree from UWI and an MBA from the Columbia University Graduate School of Business.

V. ANDREW WHYTE

DIRECTOR

Mr. Whyte sits on the Group's Audit, Finance, Risk and Nominations and Corporate Governance Committees. He is also a director of JMMB Merchant Bank Limited and chairs the bank's Audit Committee. He is the Group Treasurer at Jamaica Producers Group (JPG) and chairs the Board of Trustees of the JPG Pension Plan. Mr Whyte also chairs the Board of Management of Emmanuel Christian Academy.

Mr. Whyte holds an MBA in Finance and Economics and a BSc. in Chemical Engineering.

ANNE CRICK

DIRECTOR

Appointed to the JMMB Board in 2006, Dr. Crick chairs the Human Resource and Nominations and Corporate Governance Committees. She is on the advisory council of the Jamaica Customer Service Association and is an Honorary Fellow of the Jamaica Institute of Management.

She is also a Senior Lecturer at UWI and a former Associate Dean and former Head of Department for the Centre of Hospitality and Tourism Management (Nassau) and the Department of Management Studies (Mona).

Dr. Crick holds a B.Sc. in Hotel Management from the University of the West Indies, a M.Sc with Honours from Pennsylvania State University and a Ph.D in Organizational Management from Rutgers State University.

RODGER ANTHONY BRAHAM

DIRECTOR

Mr. Braham has over 40 years' experience in commercial and development banking. He was appointed to the JMMB Board in July 2008 and sits on the Risk, Nominations and Governance Committees as well as the JMMB Merchant Bank Credit Committee. He is a director of JMMB Merchant Bank Limited, Intercommercial Bank Limited in Trinidad and the Joan Duncan Foundation. He is a former director of the National Housing Trust and is an approved mentor for companies listed on the Junior Stock Exchange.

Mr. Braham holds a BBA from the University of Technology, Jamaica, the Associate of Chartered Institute of Bankers designation from the Institute of Bankers of London and has participated in Harvard University's Programme for Management Development.

DENNIS L. HARRIS

DIRECTOR

Mr. Harris was appointed to the JMMB Board in January 2000 and sits on the Human Resource, Audit, Finance, Risk, Nominations and Corporate Governance committees. He is also the chairman of JMMB Merchant Bank Limited.

In 2011, he assumed the position of Managing Director of Unicomer Jamaica (Courts), building on the strong track record established while he was the Regional Finance Director for Courts Jamaica Limited's operations in the Caribbean with specific responsibility for Finance, Treasury, Credit and Information Technology. He also serves as a director on the Board of Unicomer Jamaica Limited and CGM Gallagher Group Limited and is a Chartered Accountant.

ANDREW COCKING

DIRECTOR*

A stalwart in the financial sector boasting almost three decades of experience, Andrew Cocking is currently an independent financial consultant. His financial journey includes senior management positions at the former Capital & Credit Financial Group (CCFG), which he co-founded with other shareholders. He also worked with the defunct Issa Trust & Merchant Bank, now a part of the Sagicor Group. Following a four-year stint at Manufacturer Merchant Bank as Vice President, Investments, Marketing and Credit, Mr. Cocking's career led him to Pan-Caribbean Merchant Bank Limited. He also held management positions at Jamaica Citizens Bank Limited and Citibank N.A. Jamaica.

In recognition of his distinguished career in finance, he received a Citation of Appreciation to salute his outstanding service as President of the Association of Licensed Financial Institutions.

A trained engineer, he received a Bachelor of Science degree from Howard University and later pursued a Master of Science in Management and Public Policy from Carnegie Mellon University.

Andrew has served as a director on numerous boards including: JMMB Remittance Limited, CAAC2000 (Carrier Air Conditioning Local Distributor) and Kidney Kids Foundation.

* Appointed to JMMB Group Board April 13, 2015

> BOARD OF DIRECTORS

AUDREY DEER-WILLIAMS

DIRECTOR*

Mrs. Deer-Williams is a financial management professional who has amassed almost three decades of experience through a diverse career path. She is currently Senior Director, Investments at National Insurance Fund where she is responsible for developing and executing strategies to grow the investment portfolio, currently valued over \$70 Billion. She previously worked at the Atlanta-based, Duncan Business Finance as accountant. Additionally, she served as an operations coordinator and later financial analyst at two US-based companies. Prior to her stints in the USA, she worked with several local companies including the National Insurance Fund, First Cumberland Ja Stockbrokers and the Urban Development Corporation.

Mrs. Deer-Williams holds a Masters in Business Administration from Manchester Business School and a Bachelor of Science degree with a double major in Economics and Accounting from the University of the West Indies, Mona.

An active member of the Church of the Transfiguration, with a strong desire to give back to community, she currently serves as Chair of the church's outreach programmes. Additionally, she serves as a director on several Boards including: Joan Duncan Foundation, Sweet River Abbatoir and Supplies Limited, National Insurance Fund and a number of its subsidiaries.

REECE KONG

DIRECTOR*

With over two decades of experience as an information technology professional, Reece Kong is now the Managing Director and founder of RMP & Associates Limited, an information technology company that provides technological expertise to various government agencies, financial institutions and other corporate entities. Prior to forming his own company in 1997, Mr. Kong held several senior positions at Advanced Integrated Systems (AIS) and was also a part of the technical team at Kingston Terminal Operators Limited.

He is the holder of a Bachelor of Science degree from Nova South University and is a proud Calabar alumnus. His expertise is enhanced by certification in AIX Systems Support, Programmer for Java and by training in a range of information technology programmes among them C-programming, database administration and design, structured query language and UNIX system administration among others.

AUDREY WELDS

DIRECTOR*

Mrs. Audrey Welds has had a distinguished legal career encompassing both the private and public sector. She is now an academic boasting over a decade of experience in teaching legal courses at both the undergraduate and graduate levels at UWI, Mona. In her academic capacity, Welds has contributed to growing the body of knowledge in the field through several publications and participation in local and regional conferences.

Admitted to the Jamaican Bar in 1983, Welds' legal career began as an Associate at Rattray, Patterson, Rattray, Attorneys-at-law. She transitioned to the Bank of Jamaica as Assistant Director and Director (Legal) and subsequently to Mutual Security Bank serving as Assistant Manager, Legal Department and Assistant Corporate Secretary, before becoming a Partner in the Commercial Law Department at DunnCox, Attorneys-at-law.

She holds a Bachelor of Law (LL.B) degree from UWI, Mona, a Certificate of Legal Education from the Norman Manley Law School and a Master of Law (LL.M) from the University of London.

An active member of the legal fraternity, she is a member of several sub committees of the Jamaican Bar Association. In addition, she has served on the boards of various local companies and educational institutions.

* Appointed to JMMB Group Board April 13, 2015

> DISCLOSURE OF SHAREHOLDINGS

JAMAICA MONEY MARKET BROKERS LIMITED TOP 10 SHAREHOLDERS AT MARCH 31, 2015

ORDINARY SHARES

1,630,552,530

SHAREHOLDERS	SHAREHOLDINGS	%
NCB CAPITAL MARKETS (IN ESCROW)	428,777,325	26.296
TRUSTEES JMMB ESOP	162,138,701	9.944
COLONIAL LIFE INSURANCE CO (TRINIDAD) LIMITED	103,453,776	6.345
NATIONAL INSURANCE FUND	75,172,997	4.610
CONCISE E.I. LIMITED	59,965,366	3.678
CONCISE R.I. LIMITED	51,512,640	3.159
JVF O.E. LIMITED	46,261,146	2.837
SJIML A/C 3119	44,833,000	2.750
JVF E.I. LIMITED	40,311,674	2.472
CONCISE O.N. LIMITED	42,530,103	2.608

> DISCLOSURE OF CONNECTED PARTY SHAREHOLDINGS

JAMAICA MONEY MARKET BROKERS LIMITED DISCLOSURE OF CONNECTED PARTY SHAREHOLDINGS AS AT MARCH 31, 2015

Directors	Shareholding- Ordinary	Connected Parties
Noel A. Lyon	-	
	37,775,196	GRACELYN O.E. LIMITED
	46,261,146	JVF O.E. LIMITED
	25,310	NICOLE LYON
Donna Duncan-Scott	7,678,110	ESOP
	28,548	ALWYN SCOTT
	36,776,951	JVF O.N. LIMITED
	42,530,103	CONCISE O.N. LIMITED
Archibald Campbell	18,400	
	344,827	ODETTE CAMPBELL
Keith P. Duncan	20,590	
	59,965,366	CONCISE E.I. LIMITED
	40,311,674	JVF E.I. LIMITED
	846,745	ESOP
V. Andrew Whyte	-	
Wayne Sutherland		
	51,512,640	CONCISE R.I. LIMITED
Dennis Harris	364,277	
Dr. Anne Crick	5,234	
Hugh Duncan	4,828	
Rodger Braham	-	
Andrew Cocking *	12,127,710	
Audrey Welds*	100,000	
Audrey Deer Williams*	-	
	75,172,997	National Insurance Fund
Reece Kong *	-	
TOTAL	411,870,652	

* Appointed to JMMB Group Board April 13, 2015 * Shareholding as at April 30, 2015

> DISCLOSURE OF SENIOR MANAGEMENT SHAREHOLDINGS

JAMAICA MONEY MARKET BROKERS LIMITED DISCLOSURE OF SENIOR MANAGEMENT SHAREHOLDINGS AS AT MARCH 31, 2015

ETLs	Shareholding- Ordinary	Connected Parties
Donna Duncan-Scott	7,678,110	ESOP
	28,548	ALWYN SCOTT
	36,776,951	JVF O.N. LIMITED
	42,530,103	CONCISE O.N. LIMITED
Keith Duncan	20,590	
	846,745	ESOP
	59,965,366	CONCISE E.I. LIMITED
	40,311,674	JVF E.I. LIMITED
Cecile Cooper	890,238	ESOP
Sheldon Powe	23,000	
	2,022,857	ESOP
Carolyn DaCosta	1,050,302	
	57,921	ESOP
	4,357	CRAIG DACOSTA
	127,169	DERMOTT DACOSTA
	4,795	MERLINE DACOSTA
	5,237	AMANDA DACOSTA
Kisha Anderson	660,395	
	57,921	ESOP
	29,328	ELIZABETH THOMPSON
	10,000	REBEKAH HOILETT
	1,500	GAIL BARRETT
Paul Gray	658,587	
	699,043	ESOP
	554,866	TEVERLY GRAY
Julian Mair	212,500	
	239,711	ESOP
Patrick Ellis	966,872	ESOP
Janet Patrick	808,823	ESOP
	18,432	
Imani Duncan	1,043,767	ESOP
	4,900	STEPHEN PRICE
Hugh Duncan	4,828	
Damion Brown	2,400	
	908,951	ESOP
Kerry Ann Stimpson	780,032	ESOP

> CORPORATE INFORMATION

CLIENT CARE:

(876) 998-JMMB (5662)

From the USA and Canada:

1 (877) 533-5662

From the UK: 0 (800) 404 9616

Opening Hours:

Monday – Friday: 8:00 a.m. – 7:00 p.m.

Saturday: 9:00 a.m. – 7:00 p.m.

Email: info@jmmb.com

Website: www.jmmb.com

JMMB HEAD OFFICE JMMB LIMITED

6 Haughton Terrace

Kingston 10

Tel: (876) 998-5662

Fax: (876) 960-9546

Opening Hours:

Monday – Friday: 8:30 a.m. – 3:30 p.m.

JMMB LIMITED BRANCH LOCATIONS

HAUGHTON AVENUE BRANCH

5 Haughton Avenue

Kingston 10

Tel: (876) 998-5662

Fax: (876) 920-7281 or 998-9380

Opening Hours:

Monday – Friday: 8:30 a.m. – 3:30 p.m.

Drive Thru

Monday – Friday: 9:00 am – 5:00 p.m.

Saturday: 10:00 a.m. – 2:00 p.m.

KNUTSFORD BOULEVARD BRANCH

11 Knutsford Boulevard

New Kingston

Kingston 5

Tel: (876) 998-5662

Fax: (876) 960-3927 or 960-4455

Opening Hours:

Monday – Friday: 8:30 a.m. – 3:30 p.m.

JUNCTION AGENCY

Shop 2, Roye's Plaza

Main Street, Junction

St. Elizabeth

Tel: (876) 998-5662

Opening Hours:

Monday – Friday: 8:30 a.m. to 3:30 p.m.

MANDEVILLE BRANCH

23 Ward Avenue

Mandeville, Manchester

Tel: (876) 625-2351 or (876)- 625-4450-2

Fax: (876) 625-2352

Opening Hours:

Monday – Friday: 8:30 a.m. – 3:30 p.m.

MONTEGO BAY BRANCH

Suite 1

Fairview Office Park

Alice Eldemire Drive

Montego Bay, St. James

Tel: (876) 998-5662

Fax: (876) 979-1566

Opening Hours:

Monday – Friday: 8:30 a.m. – 3:30 p.m.

MAY PEN BRANCH

Shop 28B, Bargain Village Plaza

35 Main Street

May Pen, Clarendon

Tel: (876) 998-5662

Fax: (876) 786-3660

Opening Hours:

Monday – Friday: 8:30 a.m. – 3:30 p.m.

OCHO RIOS BRANCH

Guardian Life Building

2 Graham Street

Ocho Rios, St. Ann

Tel: (876) 998-5662

Fax: (876) 795-3886

Opening Hours:

Monday – Friday: 8:30 a.m. – 3:30 p.m.

PORTMORE BRANCH

47-48 West Trade Way

Portmore Town Centre

Portmore, St. Catherine

Tel: (876) 998-5662

Fax: (876) 939-3207

Opening Hours:

Monday– Friday: 10:30 a.m. – 6:00 p.m.

Saturday: 10:30 a.m. – 2:00 p.m.

SANTA CRUZ BRANCH

Shop # 2, Oasis Plaza, Coke Drive

Santa Cruz, St. Elizabeth

Tel: (876) 998-5662

Fax: (876) 966-9816

Opening Hours:

Monday – Friday: 8:30 a.m. – 3:30 p.m.

ETM DUAL CURRENCY SERVICE (US\$ & J\$)

- Haughton Terrace
- Phoenix Avenue
- Knutsford Boulevard
- Liguanea
- Portmore
- Montego Bay
- Ocho Rios
- Mandeville
- Santa Cruz
- May Pen
- Junction

Email: info@jmmb.com

Website: www.jmmb.com

SUBSIDIARIES

JMMB SECURITIES LIMITED

6 Haughton Terrace

Kingston 10

Tel: (876) 998-5662

Fax: (876) 960-8106

Opening Hours:

Monday – Friday: 8:30 a.m. – 3:30 p.m.

Website: www.jmmbsecurities.com

Email: info@jmmbsecurities.com

BOARD OF DIRECTORS

Dr. Noel A. Lyon – Chairman

Archibald Campbell

Julian Mair

Keith Duncan

Kisha Anderson

Keisha Forbes

Paul Gray

Carolyn DaCosta, Company Secretary

JMMB INSURANCE BROKERS LIMITED

8 Dominica Drive New Kingston
Kingston 5

Tel: (876) 920-5040-1

Fax: (876) 960-3927 or 998-9380

Opening Hours:

Monday – Friday: 8:30 a.m. – 3:30 p.m.

Website: www.jmmbinsurance.com

Email: info@jmmbinsurance.com

BOARD OF DIRECTORS

Dr. Noel Lyon – Chairman

Archibald Campbell

Cecile Cooper

Keith Duncan

Kisha Anderson

Paul Gray

Claudine Campbell-Bryan, Company Secretary

JMMB PUESTO DE BOLSA S.A

Head Office

Corporate Building 2010

Av. Gustavo Mejía Ricart No. 102

esq. Ave. Abraham Lincoln

Santo Domingo

República Dominicana

Tel: (809) 566-5662

Fax: (809) 620-5662

Website: www.jmmbdominicana.com

SANTO DOMINGO

Acrópolis

Torre Acrópolis Primer Nivel

Av. Winston Churchill

esq. Rafael A. Sanchez

Santo Domingo, República Dominicana

Tel: (809) 566-5662

Fax: (809) 620-5662

Opening Hours:

Monday – Friday: 9:00 a.m. – 6:00 p.m.

Corporativo 2010

Edificio Corporativo 2010

Av. Gustavo Mejía Ricart No. 102

esq. Ave. Abraham Lincoln

Santo Domingo, República Dominicana

Tel: (809) 566-5662

Fax: (809) 620-5662

Email: info@jmmb.com.do

Opening Hours:

Monday – Friday: 9:00 a.m. – 6:00 p.m.

SANTIAGO

Plaza Charo

Plaza Bulevar 2do nivel

Av. Juan Pablo Duarte

Santiago, República Dominicana

Tel: (809) 566-5662

Fax: (809) 620-5662

Opening Hours:

Monday – Friday: 9:00 a.m. – 6:00 p.m.

BOARD OF DIRECTORS

Dr. Noel Lyon – Chairman

Donna Duncan-Scott

Julian Mair

Keith Duncan

Roberto Jimenez Collie

Ricardo Ginebra

Javier Armenteros – Company Secretary

JMMB FUND MANAGERS LIMITED JMMB HEADQUARTERS

6 Houghton Terrace

Kingston 10

Tel: (876) 998-5662

Fax: (876) 960-9546

Opening Hours:

Monday – Friday: 8:30 a.m. – 3:30 p.m.

BOARD OF DIRECTORS:

Dr. Noel Lyon - Chairman

Archibald Campbell

Keith Duncan

Paul Gray

Sheldon Powe

Carolyn DaCosta – Company Secretary

JMMB MERCHANT BANK LIMITED

Head Office

6-8 Grenada Way

Kingston 5

Jamaica, W.I.

Tel: (876) 960-5320

Toll Free: 1 (888) 991-2062/7

Fax: (876) 960-1381

Opening Hours:

Monday– Friday: 8:30 a.m. – 3:30 p.m.

KNUTSFORD BOULEVARD BRANCH

11 Knutsford Boulevard

New Kingston

Kingston 5

Tel: (876) 998-5662

Fax: (876) 960-3927 or 960-4455

Opening Hours:

Monday – Friday: 8:30 a.m. – 3:30 p.m.

MONTEGO BAY BRANCH

25 Church Street

Montego Bay, St. James

Jamaica, W.I.

Tel: (876) 979-1707

Fax: (876) 952-4647

Opening Hours:

Monday– Friday: 8:30 a.m. – 3:30 p.m.

OCHO RIOS BRANCH

2 Graham Street

Ocho Rios, St. Ann

Jamaica, W.I.

Tel: (876) 974-8507

Fax: (876) 974-8631

Opening Hours:

Monday– Friday: 8:30 a.m. – 3:30 p.m.

BOARD OF DIRECTORS JMMB

Dennis Harris – Chairman

Archibald Campbell

Donna Duncan-Scott

Dr. Noel Lyon

Gregory Shirley

Khary Sharp

Keith Duncan

Martin Lyn

Patricia Sutherland

Rodger Braham

Vintoria Bernard

V. Andrew Whyte

Carolyn DaCosta – Company Secretary

JMMB MONEY TRANSFER LIMITED

(Formerly Capital & Credit Merchant Bank Limited)

Head Office

6-8 Grenada Way

Kingston 5

Jamaica, W.I.

Tel: (876) 929-1660

Toll Free: 1 (888) 991-2062/7

Fax: (876) 960-2833

E-mail: reggaemoney@jmmb.com

Opening Hours:

Monday– Friday: 8:30 a.m. – 3:30 p.m.

BOARD OF DIRECTORS

Dr. Noel Lyon-Chairman

Andrew Cocking

Keith Duncan

Keisha Forbes

Kisha Anderson

Maurice Barnes

V. Andrew Whyte

Carolyn DaCosta – Company Secretary

INTERCOMMERCIAL BANK LIMITED

Head Office

DSM Plaza, Old Southern Main Road

Chaguanas

Trinidad and Tobago

Tel: (868) 665-4425

Fax: (868) 665-6663

Website: www.ibltd.com

PORT OF SPAIN BRANCH

77 Independence Square South,

Port of Spain,

Trinidad and Tobago

Tel: (868) 645-4425

Fax: (868) 625-9528

Opening Hours:

Monday– Thursday: 9:00 a.m. – 3:00 p.m.

Friday: 9:00 a.m. – 5:00 p.m.

TUNAPUNA BRANCH

30-32 Eastern Main Road,
Tunapuna, Trinidad and Tobago
Tel: (868) 645-4425
Fax: (868) 645-1821

Opening Hours:
Monday- Thursday: 9:00 a.m. – 3:00 p.m.
Friday: 9:00 a.m. – 5:00 p.m.

MARABELLA BRANCH

182 Southern Main Road,
Marabella, Trinidad and Tobago
Tel: (868) 658-5813
Fax: (868) 658-5820

Opening Hours:
Monday- Thursday: 9:00 a.m. – 3:00 p.m.
Friday: 9:00 a.m. – 5:00 p.m.

BOARD OF DIRECTORS

Dr. Noel Lyon-Chairman
Hugh Duncan
Keith Duncan
Lorraine Kam
Marjorie Nunez
Nigel Romano - Managing Director
Rodger Braham
Selby Wilson
Wayne Sutherland
Winston Millett
Winston Padmore
Denise Roopnarinesingh – Company Secretary

**INTERCOMMERCIAL TRUST AND
MERCHANT BANK LIMITED**

Furness Building
90 Independence Square
Port of Spain, Trinidad and Tobago
Tel: (868) 627-3264 or 6275068 or
623-0924
Fax: (868) 665-6663

BOARD OF DIRECTORS

Dr. Noel Lyon-Chairman
Hugh Duncan
Keith Duncan
Lorraine Kam
Marjorie Nunez
Nigel Romano
Shelby Wilson
Wayne Sutherland
Winston Millett
Winston Padmore
Rodger Anthony Braham
Denise Roopnarinesingh – Company Secretary

**JMMB INVESTMENTS (TRINIDAD
AND TOBAGO) LIMITED**

Furness Court
1 Richmond Street
Port of Spain, Trinidad and Tobago
Tel: (868) 624-9803 or 624-099/623-2411
Fax: (868) 623-2411

Opening Hours:
Monday- Friday: 8:00 a.m. – 4:00 p.m.

BOARD OF DIRECTORS

Dr. Noel Lyon – Chairman
Aubrey Garcia
Julian Mair
Keith Duncan
Kisha Anderson
Wayne Sutherland
Winston Padmore
Carolyn DaCosta – Company Secretary

JMMB SECURITIES (T & T) LIMITED

Formerly AIC Securities Limited
Furness Court
1 Richmond Street
Port of Spain
Tel: (868)-624-9803 or 624-099/623-2411
Fax: (868)-623-2411

Opening Hours:
Monday- Friday: 9:00 a.m. – 3:00 p.m.

BOARD OF DIRECTORS

Dr. Noel Lyon – Chairman
Aubrey Garcia
Julian Mair
Keith Duncan
Kisha Anderson
Wayne Sutherland
Winston Padmore
Carolyn DaCosta – Company Secretary



**APPLIED
KNOWLEDGE
AND EXPERTISE**

**REGIONAL
MACROECONOMIC
LANDSCAPE**



Over the last two years, the Government of Jamaica has made progress in putting the country on a sounder macroeconomic foundation. In this regard, the fiscal deficit as a proportion of GDP has fallen from 4.1% in FY 2012/13 to an estimated 0.5% in FY 2014/15. The fiscal efforts of the government culminated in the signing of a four (4) year Extended Fund Facility (EFF) with the International Monetary Fund (IMF). The Fund programme, among other things, aims to reduce the debt overhang (in part through fiscal consolidation); improve the competitiveness of the domestic economy; strengthen financial sector stability; and engender higher levels of sustainable growth.

However, risk factors such as continued low GDP growth, industrial dispute by public sector workers, external shocks, increasing foreign currency debt, and fiscal slippages could derail the economic agenda.

STANDARD AND POOR'S RATINGS UPGRADE

In June 2015, following quickly on the heels of Moody's upgraded rating, Standard and Poor's Ratings Services (S&P) raised Jamaica's long-term foreign and local currency sovereign credit ratings to 'B' from 'B-'. In addition, the ratings agency affirmed the sovereign's 'B' short-term ratings and views the outlook on the long-term ratings as stable. The rationale underlying S&P's action included the sovereign's improved ability to meet its fiscal targets over the past two years, which has strengthened its fiscal credibility and stabilized the debt trajectory.

RECENT DEVELOPMENTS

MOODY'S RATINGS UPGRADE

In May 2015, Moody's Investors Service upgraded Jamaica's government bond rating and government-related entities to Caa2 from Caa3 thus changing the country's ceiling, and creating a positive outlook. The decision by Moody's to upgrade Jamaica's credit ratings was informed by (i) fiscal consolidation and strong commitment to structural reforms, (ii) improving balance of payments position and (iii) reduced external vulnerabilities. The positive outlook reflects the expectation that Jamaica will sustain the reform momentum under the IMF-supported programme, and solidify the fiscal adjustment to put the debt metrics firmly on a downward trajectory.

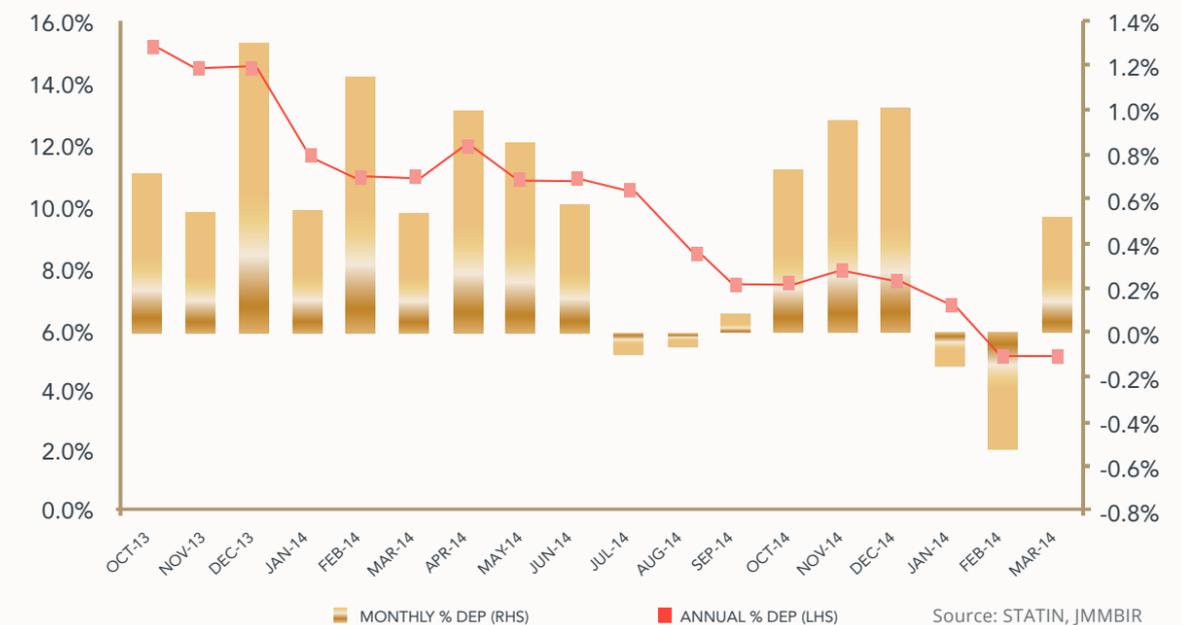
INFLATION

The 12-month inflation rate for the fiscal year was 4.0% which was 4.4% lower than the corresponding period in FY2013 / 2014. Reductions in oil and other commodity prices were transmitted through declines in the cost of transportation and utility tariffs as well as the prices for food and beverages. Moderation in the exchange rate also contributed to the low inflation outturn in March. The expectation is that benign import prices and moderate increases in wages in the public and private sector will continue to influence inflation in FY2015/16. Thus, the forecast is that the inflation rate will fall between 4.0% - 5.0%.



JAMAICA

MONTHLY AND ANNUAL INTEREST RATES



Source: STATIN, JMMBIR

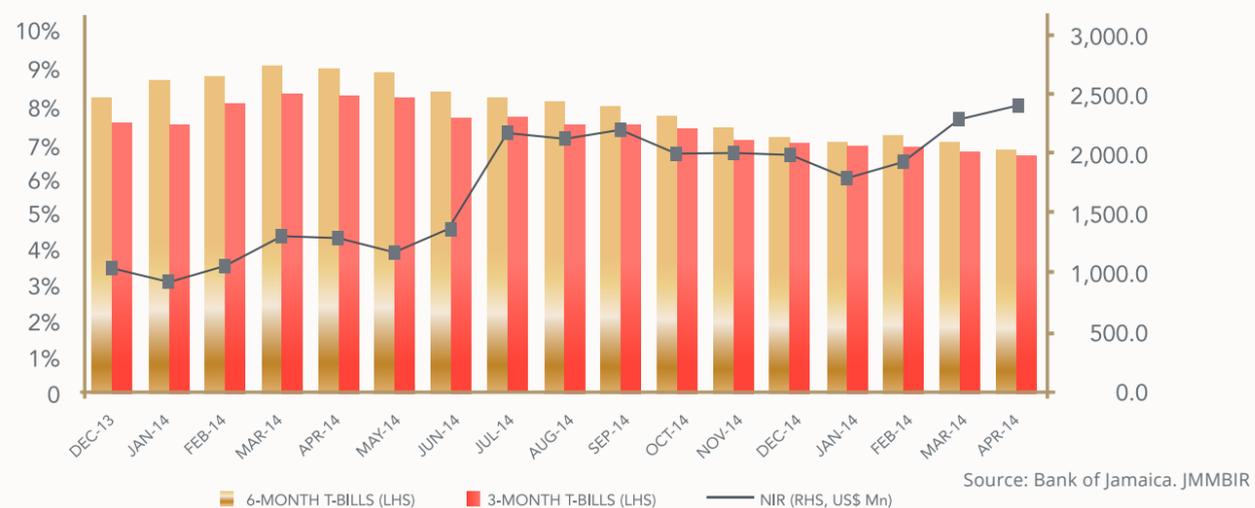
EXCHANGE RATE

The Jamaican dollar depreciated by an average of 12.8% per annum vis-à-vis the US dollar between FY2011/12 and FY2013/14. However, the pace of depreciation of the domestic currency slowed to 5.0% in FY2014/15. The earlier accelerated depreciation of the dollar was a direct result of the government's policy under the IMF programme to improve the competitiveness of the domestic economy, reduce the current account deficit (CAD) and increase external liquidity. The CAD and the Net International Reserves (NIR) moved from 9.9% and US\$1,069.4 million at end-March 2013 to 5.0% and US\$2,293.7 million at end-March 2015, respectively. A confluence of benign external and domestic market conditions is expected to influence the exchange rate throughout FY 2015/16. Consequently, the domestic currency is expected to depreciate moderately throughout the fiscal year.

INTEREST RATE

Interest rates declined gradually during the fiscal year as investor confidence elevated in the domestic economy. At end-March 2015, the benchmark 3- and 6-month Treasury bills yields fell by 162.2 and 211.2 basis points (bps) to 6.73% and 7.0% bps, respectively. The US Federal Reserve's (Fed) decision to maintain policy rates at close to zero boded well for Emerging Market economies as it tempered fears of capital flight. Consequent on this development and favourable improvements in the NIR, the Bank of Jamaica curtailed its intervention in the local money market and adequate J-dollar liquidity was maintained for most of the fiscal year. The expectation for 2015 is that rates will meander around the current levels despite signs that the Fed may increase rates in the fourth quarter. The outlook is informed by the view that market conditions will continue to be benign throughout 2015 influenced in part by consistency in monetary and fiscal policies.

TREASURY BILL YIELDS AND NIR



FISCAL OPERATIONS: FY 2014/15

The budget for FY 2014/15 was cast within the framework of the second year of the four year EFF. A cumulative primary balance target of \$121.2 billion or 7.5% of GDP was programmed in FY 2014/15. Having met the first three quarterly primary balance targets, the GOJ failed to meet the nominal primary balance at end-March 2015 which fell short by 4.0 billion (3.3%). The IMF, however,

granted the GOJ a waiver. In the Staff Review of the domestic economy for the fiscal year, the IMF opined that the country had performed creditably so far under the EFF. The Fund advised that the reason for the waiver was that it placed great premium on the primary balance to GDP ratio, which was met, and not so much the nominal amount of the primary balance.

Revenues and grants fell short of budget by \$13.4 billion as a result of fallout in corporate income tax, GCT (local) and SCT (local). The fallout in tax revenue reflected lower than expected GDP growth and moderate inflation rate and depreciation of the domestic currency. In order to meet the primary balance target, capital expenditure was cut by \$11.6 billion (33.5%). Central Government realized a fiscal deficit of \$11.3 billion (0.7% of GDP).

FISCAL YEAR 2015/16

The GOJ is programming to spend \$641.6 billion in FY 2015/16 which is an increase of \$91.4 billion (26.6%) over FY 2014/15. The increase is due mainly to higher outlay on debt servicing which at \$310.2 billion is \$76.8 billion (32.9%) more than the outturn for the previous fiscal year. The target for revenues and grants is \$458.1 billion which is 11.0% more than the previous fiscal year and includes additional revenue measures of \$10.3 billion (0.7% of GDP). The amount budgeted for above the line expenditure is \$463.0 billion which includes \$3.9 billion for salary increases. The figure embedded in the budget for salary increase is 2.5% over the outturn for wages and salaries in the previous fiscal year. However, there is disquiet among some union representatives who are agitating for higher salary increases. For the fiscal year, the GOJ envisages a deficit of \$4.9 billion (0.3% of GDP) and a primary balance of \$126.7 billion (7.5% of GDP).

GROWTH

Jamaica's real gross domestic product (GDP) increased by 0.4% in 2014 compared to 0.2% in 2013. The government was programming growth in the region of 1.0% - 1.5% for the period. However, the convergence of several factors resulted in lower than envisaged economic activities. Notably, the country experienced a protracted period of drought in the third quarter and this adversely impacted output in

TABLE 1: CENTRAL GOVERNMENT BUDGET

(J\$ Mn) Line Item	Prov 2014/15	Budget 2015/16
Total Revenue	411,716.1	458,101.1
Tax Revenue	370,877.7	411,882.3
Non-Tax	34,311.5	30,961.3
Capital Revenue	1,509.1	938.8
Bauxite levy	0.0	4,779.7
Grants	5,017.8	9,539.0
Expenditure	418,986.9	462,988.0
Recurrent Expenditure	395,967.8	432,579.0
Programmes	112,696.6	135,735.3
Wages & Salaries	158,758.5	165,229.4
Interest	124,512.6	131,614.4
Domestic	76,052.1	75,234.3
External	48,460.5	56,380.1
Capital Expenditure	43,019.1	30,409.0
Amortisation	87,635.5	178,579.5
External	29,751.6	95,136.3
Domestic	57,883.9	83,443.3
Total Payment	499,351.6	636,680.6
Primary balance	117,241.8	126,727.5
% of GDP	7.44%	7.5%
Deficit	7,270.8	4,886.9
% of GDP	0.5%	0.3%
Nominal GDP	1,574,900.0	1,689,700.0
Wages and Salaries/GDP	10.1%	9.8%

Source: MOF/JMMBIR

agriculture, electricity and water. Growth was also tempered by the reduction in production of alumina and refined petroleum products and lower than anticipated government spending on capital projects, which had a ripple effect on construction and installation activities. It is estimated that the outbreak of the chikungunya virus in the second half of the year reduced economic output by about 0.7%. Notwithstanding, the Tourism and Wholesale & Retail Trade, Repair & Installation of Machinery' – formerly Distributive Trade – expanded at a modest pace.

The stage is set for acceleration in economic growth in 2015. However, while there is renewed confidence in the domestic economy, the pace of investments in sectors other than tourism is subdued. It appears that investors are cautious and are waiting to see if economic fundamentals will be sustained before deciding on which projects to undertake. Growth in CY 2015 is expected in the region of 1.0% - 1.5%. The sectors anticipated to push the growth momentum are tourism, agriculture and the distributive trade.

OUTLOOK FOR THE JAMAICAN ECONOMY

Fiscal consolidation has resulted in the erosion of the real purchasing power of public sector workers who have had to endure minimal wage increases over the last 10 years. The government has programmed a 5.0% increase in wages and salaries for the contract period FY 2015/16 - FY 2016/17. However public sector workers are lobbying for higher wage increases above what the government is offering. Failure to resolve this impasse favourably could result in industrial disharmony which could have an adverse effect on the economy and impede the growth outlook. If the Government accedes to the wage demand of public sector workers, this could result in fiscal slippages and jeopardize the 9.0% of GDP wage bill programmed for end-March 2017, under the EFF.

The strengthening of the country's current account has not eliminated the sovereign's external vulnerability entirely. Low oil and other commodity prices have contributed to improvements in the current account. However, increases in world prices could easily wipe out the gains made over the last two years.

The National Debt Exchange Programme (NDX), subsequent changes to the Repo market and the asset tax levied on financial institutions have had unintended consequences. The appetite

for domestic GOJ securities has waned. The fiscal programme and the reduction in the debt trajectory envisaged a vibrant domestic capital market (DCM) and the rollover of maturing domestic debt. Since 2013, the Government has found it extremely challenging to obtain funding from the DCM, and consequently, has had to rely on the PetroCaribe Development Fund to fill the funding gap. Resultantly, foreign currency debt to total debt has increased to 61.5% at the end of March 2015. While the fiscal programme is forecasting a reduction in the debt ratio over the medium-term, failure to access domestic currency financing could result in unplanned foreign currency debt build up. Further increases in foreign currency debt will raise the risk profile of the sovereign's debt, which could result in increased coupon on future debt issuances and lower bond prices.

In a nutshell, the Jamaica economy is precariously poised. There are improvements in the fiscal matrices and some of the key macroeconomic variables are expected to stabilize over the medium-term. However, there are some challenges which, if they materialize, could lead to fiscal slippages, impair the external liquidity position and destabilize the debt. Therefore, while we are confident in the outlook over the medium-term, we take a more cautious view with respect to the long-term outlook

> TRINIDAD AND TOBAGO

In 2014, real output in Trinidad and Tobago expanded by 1.9%, which was 0.2% more than 2013. Production in the non-petroleum and petroleum sectors increased by 2.5% and 1.0%, respectively. The relatively high growth rate in the non-petroleum sector was facilitated by increased output in construction, agriculture and the distributive trade. During the latter half of 2014, the petroleum sector had to overcome two main challenges that curtailed the rate of expansion in the sector: (i) Some energy installations were shuttered for maintenance work for much of the third quarter, and (ii) The market price per barrel of oil plummeted by more than 44.0% in December relative to peak prices in June.

Oil and gas production in 2014 were relatively flat compared to 2013. The petroleum sector is set to rebound in 2015, driven by higher output and prices. Increased production in both oil and gas should help to offset relatively low oil and gas prices. The non-energy sector is expected to remain buoyant throughout 2015 led by expansion in construction and manufacturing. Construction is expected to be buoyed by government spending, as elections near. The positive real GDP growth rate anticipated in the wider Caribbean region is expected to fuel consumer spending and drive the demand for manufacturing products. Real output is projected to expand in CY 2015 by 1.5% – 2.0%.

QUARTERLY GDP GROWTH

	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014
Total	2.7	2.8	0.3	2.6	0.2	1.0	2.1	0.1
Energy GDP	0.5	1.8	-3.9	2.4	-3.0	-4.3	2.9	-3.4
Petrochemical	-2.6	-9.3	-8.0	15.5	2.9	4.3	4.2	-14.3
Other Petroleum	0.8	3.3	-3.4	0.9	-3.7	-5.3	2.7	-2.0
Non-Energy GDP	4.3	3.5	3.3	2.8	2.4	4.6	1.6	2.4
Construction	3.0	3.5	3.0	2.5	3.0	8.9	-2.0	7.2
Manufacturing	3.4	5.1	0.4	1.8	1.6	1.6	0.9	-1.9
Distribution	5.7	4.8	4.6	4.6	1.5	6.1	3.8	2.2
Agriculture	3.5	2.0	1.9	-3.6	13.7	1.8	5.6	12.3

Source: CBTT/JMMIR

RECENT DEVELOPMENTS

MOODY'S DOWNGRADED TRINIDAD AND TOBAGO'S GOVERNMENT BOND

In June 2015, Moody's downgraded Trinidad and Tobago's sovereign government bond rating and issuer rating to Baa2 from Baa1, and changed the outlook from stable to negative.

The rationale underlying Moody's action are (i) persistent fiscal deficits and challenging prospects for reforms, (ii) decline in oil prices and limited economic diversification, which weigh negatively on economic growth prospects and (iii) weak macroeconomic policy framework, given the lack of a medium-term fiscal strategy and inadequate provision of vital macroeconomic data.

INTEREST RATE

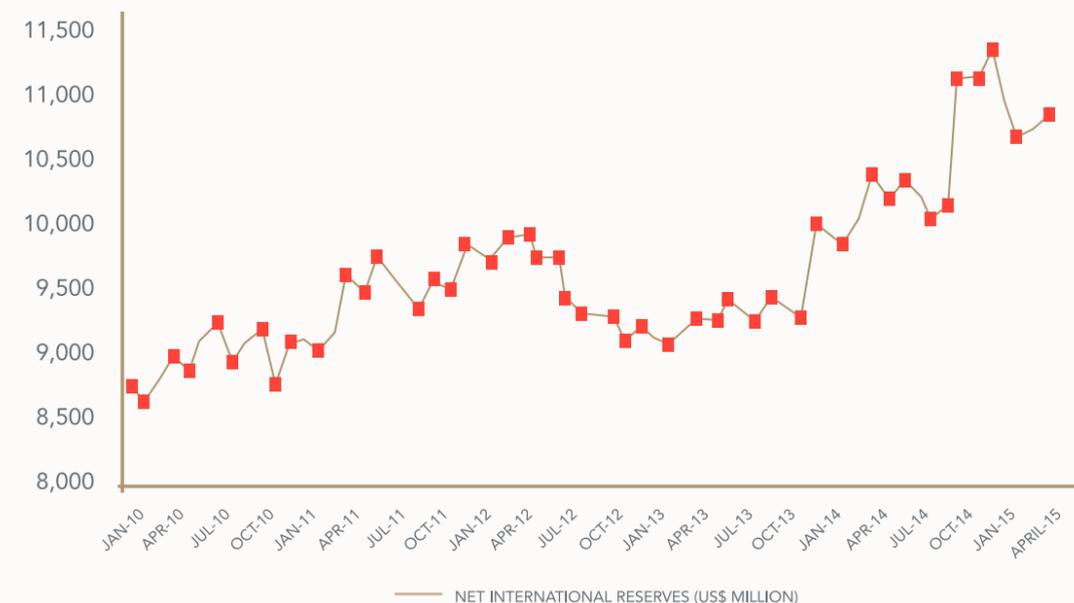
The Central Bank of Trinidad and Tobago (CBTT) increased the benchmark repurchase (repo) rates four consecutive times since September 2014 to 2.75% in March 2015, consequent on pressures in the currency market and concerns regarding capital flight in anticipation of an increase in US Federal Reserve funds rates. Repo rates were increased by 100 basis points during the period. The expectation by the Central Bank is that this will lead gradually to increased lending rates and curtail the demand for consumer loans. It should also widen the differential in yields between the Trinidad and Tobago and US yield curves to minimize the incentive for outward portfolio flows. Notwithstanding the action of the Central Bank, interest

rates on consumer credit remain relatively unchanged due to relatively high levels of TT-dollar liquidity. As a result of this, the CBTT has broadened its policy measure to reduce excess liquidity in the banking system to make monetary policy more effective. Should TT-dollar liquidity tighten, domestic interest rates are expected to increase gradually during the latter part of 2015 through to 2016.

EXCHANGE RATE AND THE NIR

The Net International Reserve (NIR) remains robust inspite of some pressures in the foreign currency market in the latter half of 2014. This robustness of the NIR was influenced by falling oil prices, scaled-down production in the petroleum industry and increased demand for imported consumer goods, fueled by expansion in consumer credit and low unemployment levels. The CBTT, however, has maintained firm control in the market by prioritizing access to foreign currency to the productive sector while keeping the exchange rate relatively stable. Oil prices have rallied in the first quarter of 2015 and are expected to gradually increase throughout the year, albeit not to the high experienced in mid-June 2014. This, complemented by the monetary policy action of the CBTT to curtail the expansion in consumer credit and demand for foreign currency, should result in the easing of liquidity tightness in the foreign exchange market, thus helping to alleviate pressures on the NIR. The NIR is therefore expected to stabilize to around US\$11,000 million in 2015.

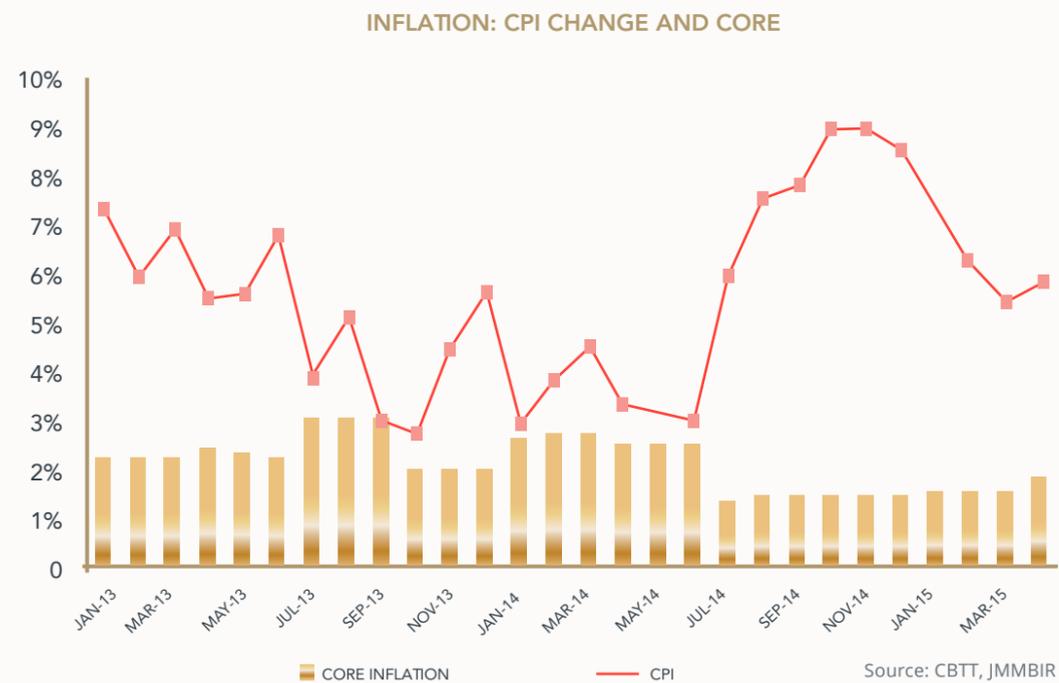
NET INTERNATIONAL RESERVES (NIR)



INFLATION

The 12-month inflation rate for March 2015 was 5.8%, which was 3.2% lower than December 2014. Favourable weather conditions led to increased domestic food production which helped to alleviate supply constraints – the main factor contributing to elevated domestic prices from August 2014 to February 2015. Core inflation (non-food inflation) on the other hand, remained well behaved

over the last 8 months, averaging less than 2.0% year-over-year. The expectation is that the inflation rate will moderate to about 5.0% by the end of the calendar year. This view, predicated on favourable weather conditions complemented by the monetary policy actions of the CBTT, should help to temper consumer demand.



OUTLOOK FOR THE TRINIDAD AND TOBAGO ECONOMY

Oil prices are expected to increase gradually over the next 12 to 18 months, but should remain well below the US\$100 per barrel mark. The excess supply of oil in the market is expected to subside over the forecast horizon. The demand for oil is still growing however, the technological breakthrough in shale oil and extractions continues to fuel the expansion in production in the USA and, by extension, the world market.

Having undertaken maintenance work on some oil installations in the third quarter of 2014 (which resulted in downtime), the petroleum sector is set to rebound and increase production in 2015. The growth in output in the non-energy sector will continue to be facilitated by increased exports to CARICOM. Although domestic interest rates are expected to increase as a result of the actions of the CBTT, tight labour market conditions and real economic growth are expected to continue to fuel demand for goods and services, thus reinforcing a positive cycle of economic expansion in the Republic even as Inflation will be tempered by subdued import prices.

SELECTED INDICATORS

	2010	2011	2012	2013	2014	2015 (f)	2016 (f)
Real GDP growth, % y-o-y	0.1	0.0	1.4	1.7	1.9	2.3	2.0
Unemployment, % of labour force, eop	5.9	5.0	4.9	3.8	4.0	4.0	4.0
CPI, % y-o-y, eop	13.4	5.2	7.2	5.6	9.0	6.0	5.3
Lending rate, %, eop	8.4	7.8	7.5	7.5	7.5	9.0	9.5
Central Bank policy rate, % eop	3.75	3.00	2.75	2.75	3.25	3.75	4.25
TT/USD, eop	6.3	6.4	6.4	6.4	6.4	6.5	6.6
Depreciation (TT/US), %, eop	0.7	0.8	0.7	-0.9	0.2	1.2	1.6
Fiscal balance, % of GDP	-3.8	-0.1	-0.3	-2.0	-4.0	-3.8	-4.7
Primary balance, % of GDP	0.3	-0.7	-0.3	-1.3	-1.0	-1.9	-1.8
Current account balance, % of GDP	20.3	12.4	3.1	6.5	3.5	0.8	0.1
FDI Inflows, % of GDP	84.9	82.2	81.7	-	-	-	-
Net International Reserves. Ex gold, USD bn	9.1	9.8	9.2	10.0	11.3	11.0	11.0
NIR Import cover, months	16.7	12.4	12.2	13.5	13.9	13.4	13.3
Government gross debt to GDP	35.2	32.3	40.3	37.4	37.6	39.5	43.7

Source: IMF, BMI, JMMBIR

> DOMINICAN REPUBLIC

The economy of the Dominican Republic experienced annualized real economic growth of more than 5.0% over the last five years. The economy has been buoyed by continued expansion in tourism, construction, mining and agriculture. Most major macroeconomic indicators, with the exception of debt-to-GDP ratio, showed improvements. The contributing factors to the poor debt dynamics are relatively high fiscal deficits and low primary balance surpluses.

While unemployment has trended down to relatively low levels, the country is still grappling with issues of under-employment and low levels of productivity in some sectors. Foreign direct investment (FDI) flows remain high, buoyed by investments in tourism and mining. Broad monetary expansion is subdued and is expected to remain low over the short-run. This, coupled with a decline in oil prices, bodes well for the outlook on inflation and domestic interest rates. Notwithstanding, there are some headwinds in the form of expected decline in commodity prices, gold, in particular; the high dependency of the sovereign's economy on the USA, reliance on primary export to China and the primarization of its export in the value-added chain of production.

rooted in the sovereign's monetary policy, fiscal stance, and improving external liquidity position. The sovereign's outlook is deemed stable.

Standard and Poor's noted that since the Central Bank of the Dominican Republic became operationally independent in 2012 and moved to an inflation-targeting regime, the inflation rate has averaged 3.1%. The Bank allows the peso to float freely and intervenes in the market to correct volatility.

The sovereign's general government deficit has fallen over several years; the debt is increasing at a slow rate, and debt management continues to improve. The general government deficit fell to 4.5% of GDP in 2014 from 8.0% in 2012. The reduction was facilitated through increased taxation, renegotiation of mining royalties, and cuts in capital expenditure. S&P is expecting a deficit of 4.0% in 2015, predicated on lower oil prices and steady electricity tariffs. Consequently, the debt is expected to average 43.0% of GDP during 2015-16. Interest payments to government revenues should remain at around 16.0%. Improvements in cash and debt management are major selling points for the sovereign. Centralized government accounts allow the Treasury to manage cash resources more efficiently.

RECENT DEVELOPMENTS

STANDARDS AND POOR'S (S&P) UPGRADES THE DOMINICAN REPUBLIC SOVEREIGN CREDIT RATINGS

In May 2015, Standard and Poor's (S&P) upgraded the Dominican Republic's long-term sovereign credit ratings to 'BB-' from 'B+'. The rationale underlying the improved credit action by S&P is

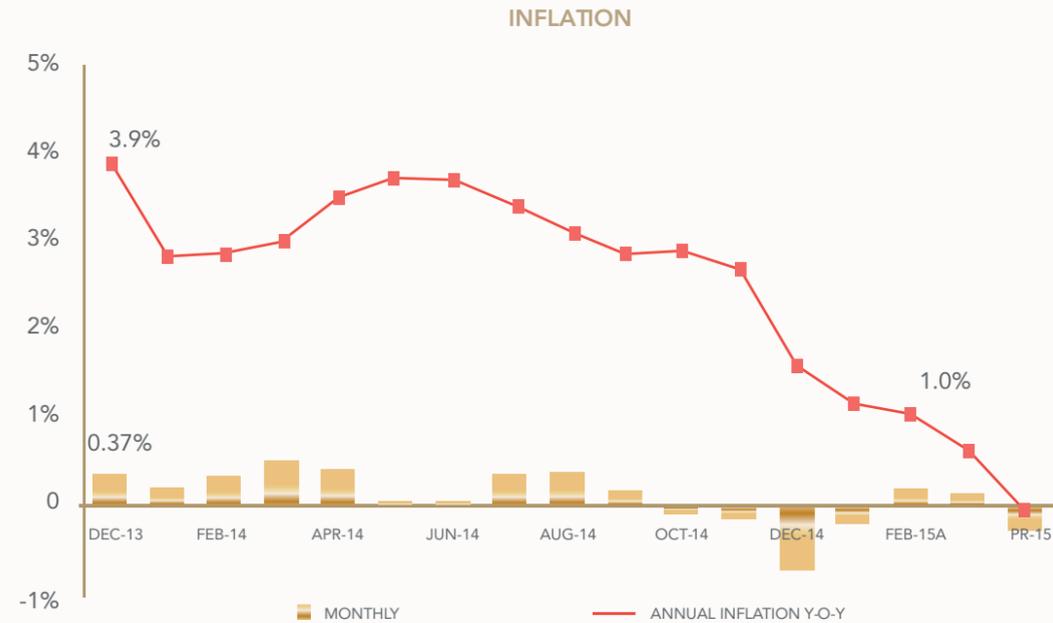
SELECTED INDICATORS

	2010	2011	2012	2013	2014	2015 (f)	2016 (f)
Real GDP growth, % y-o-y	8.3	2.8	2.6	4.8	7.3	5.1	4.5
Unemployment, % of labour force, eop	5.0	5.8	6.4	7.0	6.6	5.9	5.6
CPI, % y-o-y, eop	6.2	7.8	3.9	3.9	1.6	3.0	4.0
Lending rate, % eop	12.1	15.6	15.5	16.5	15.7	14.7	15.7
Central Bank policy rate, % eop	5.00	6.75	5.00	6.25	6.25	4.25	6.75
DOP/USD, eop	37.4	38.7	39.9	42.7	44.4	45.1	45.8
Depreciation (DOP/US), % eop	3.0	4.0	3.0	7.0	4.0	1.5	1.4
Fiscal balance, % of GDP	-2.7	-3.0	-6.6	-3.6	-3.0	-2.4	-2.2
Primary balance, % of GDP	-1.6	-3.9	1.0	0.9	0.8	0.7	0.6
Current account balance, % of GDP	-8.4	-7.9	-6.7	-4.1	-3.1	-2.4	-3.1
FDI Inflows, % of GDP	36.6	36.4	40.7	41.5	-	-	-
Net International Reserves. Ex gold, USD bn	3.8	4.1	3.6	4.7	4.9	5.4	5.7
NIR Import cover, months	3.0	2.8	2.4	3.4	3.7	3.8	3.6
Government gross debt to GDP	23.8	25.8	30.5	34.6	35.1	30.7	36.2

Source: IMF, BMI, JMMBIR

INFLATION

The 12-month inflation rate in March was 0.6%, the lowest over the last 24 months. Like most energy importing countries, persistent low oil prices have pushed domestic inflation rate to lower levels. In general, low commodity prices are transmitted in the domestic economy through lower cost-push inflation. Prudent monetary and fiscal policies are also complements. The policy measures adopted by the authorities have helped to curtail the expansion of the monetary base within reasonable range, thus helping to curtail core inflation (non-food inflation). The Central Bank is targeting an inflation rate of around 1.0%-4.0% in CY 2015.

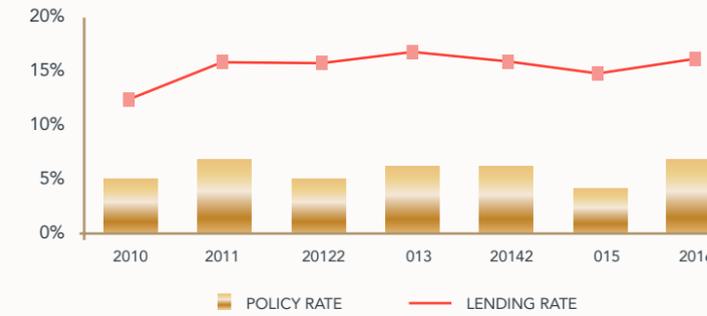


Source: DR Central Bank/ JMMBIR

INTEREST RATES

The Central Bank of the Dominican Republic maintained a policy rate at 6.25% per annum up until the end of March. This is in accordance with the Bank's neutral policy position. The policy action was based on expected low inflation outturn for the calendar year at the lower end of the target range of 1% - 4.5%. The Bank, however, has adopted a new policy measure. In April benchmark rates were adjusted downwards by 50 basis points to 5.75%. The Bank implemented this policy stance as calendar year inflation for 2015 is expected to fall below the target range of 3.0% -5.0%. Additionally, the measure is aimed at reversing the upward trend in real interest rates observed in recent months. The reduction in policy rates is not inconsistent with the Bank's policy of accumulating reserves as favourable current account developments should lead to lower demand for foreign currency.

INTEREST RATES



Source: BMI/DR Central Bank/JMMBIR

OUTLOOK FOR THE ECONOMY OF THE DOMINICAN REPUBLIC

Robust economic growth and policy consistency have positive spillover effects and have helped to facilitate favourable pathways with respect to the sovereign's broad macroeconomic variables: real GDP growth, inflation, general government deficit, unemployment, etc. Investments in tourism and related construction activities are expected to fuel economic activities in CY 2015. This will be complemented by activities in mining and agriculture. Subdued oil prices and expansion in exports are expected to facilitate further improvements in external liquidity conditions.

Given the continued improvement in the US economy and the favourable outlook over the medium-term, it is highly probable that the sovereign's economic growth movement will continue unabated over this time, driven by growth in tourism, mining, construction and consumption facilitated by remittance flows from the US. The favourable trade relation that exists between the US and the Dominican Republic through the DR-CAFTA is a big boon for favourable trade relations for the sovereign and is a contributing factor to the positive growth momentum. Generally, the sovereign should experience improvements in unemployment, the current account and other external balances, including reserves. This view, however, is pegged to the current fiscal and monetary stance, as unfavourable changes could have adverse material impact on the economy and the growth trajectory.



WINNING SOLUTIONS,
KNOW-HOW,
AND GROWTH



> **JMMB GROUP
MANAGEMENT'S
DISCUSSION
AND ANALYSIS**
FISCAL YEAR 2014/15

> **Keith
DUNCAN**
GROUP CEO

The JMMB Group continues to chart the way forward in the financial services landscape across the region with the roll-out of our new Integrated Financial Services model. This efficient and unique service delivery model, will be rolled out in phases across the region over the next three to five years. It is grounded in a culture of client financial partnership and provides a seamless, differentiated, value-added client experience that is poised to bring innovation to the financial services market. We believe the pursuit of this model will strengthen our presence locally and regionally, as well as reinforce the platform for long-term sustainable growth and further enhance shareholder value.

During the 2014/15 financial year, the team in Jamaica made significant progress in implementing key foundational elements of our new Client Experience Model (CX M) whilst simultaneously consolidating and deliberately extracting further synergies and efficiencies from our operations. In Trinidad and Tobago, we focused on streamlining the operations of the acquired entities and aligning them with the JMMB Group in preparation for the build-out of the new service delivery model. This was done while stabilizing and honing the core business drivers, thereby, creating a solid foundation for sustainable growth. Our team in the Dominican Republic continued to increase market share and expand its operations by providing innovative, competitive solutions that are tailored to meet our clients' needs.

STRATEGIC SUCCESSES ACROSS THE REGION FOR 2014/15

Our key strategic successes throughout the 2014/15 financial year included:

In Jamaica:

- The launch of our new Integrated Branch at Knutsford Boulevard, inspired by the client-centric culture at JMMB, has re-engineered processes that provide ease of interaction, empowerment of clients and more financial solutions in one central location.
- The implementation of our Client Financial Partnership Culture and Interaction Model, designed to drive a culture of needs-based integrity selling, enabling our clients to have access to a full suite of solutions across JMMB in Jamaica – banking, investments, money transfer and insurance brokerage services.
- The roll-out of proprietary technological tools in support of Goal Planning Services, to better enable the delivery of our one client strategy and to enhance cross-selling across the entities.
- Increased client access with the roll-out of MoneyLine, our online system, which gives clients access to their JMMB portfolio (including Unit Trusts / Mutual Funds and Banking, to be rolled out later in 2015).

- Client Care Centre Transformation providing selected outsourcing of key transactions which improve our service delivery and operating efficiency.

In Trinidad and Tobago:

- Operationalizing and integration of the operations of JMMBITT and AIC to improve services delivery and increasing efficiency.
- Streamlining operations and implementing Risk & Credit controls in Intercommercial Bank Limited (IBL) while improving Corporate Governance in both our Investment and Banking entities.
- Building and sustaining the Group's culture through training of culture champions with the support of engaged and motivated team members – a key ingredient and differentiator for the JMMB Group.

In the Dominican Republic:

The expansion of our operations to provide increased access to our growing client base, with the opening of a new branch located in Santiago de los Caballeros, outside the capital city of Santo Domingo, to serve the northern region of the Country (The first for any broker dealer in the industry).

- The roll-out of the "Young Talent Programme" - an outbound sales force focusing more on face to face interaction

with clients and relying heavily on two aspects: market segmentation and data collection of prospective clients and partnering with our clients to achieve their financial goals. This resulted in a “win-win” solution for our clients and JMMB.

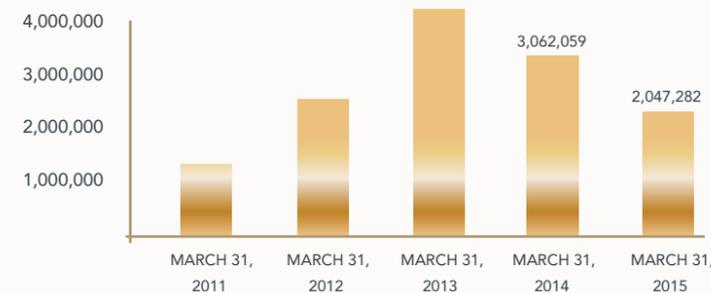
- The approval of a Fund Administrator and a Trust Company, as well as the acquisition of a Banking license for a small savings and loan bank, Banco Rio, to complement our Investments arm, JMMB Puesto de Bolsa.

As we deliver on the key elements of our Integrated Financial services model anchored by an increasingly efficient operating model, the JMMB Group is strategically positioned to increase its market share across the region through revenue growth and operational excellence thereby delivering value to our stakeholders.

GROUP FINANCIAL PERFORMANCE

The JMMB Group recorded Profit After Taxes of J\$2.05 billion for the financial year ending March 31, 2015. This performance is however, below the prior year’s Profit After Taxes of J\$3.06 billion - which includes non-recurring gains on acquisition of subsidiaries (IBL Group) of J\$361.7 million. The fourth quarter results of the 2014/15 financial year were also impacted by one-off provisioning of J\$259.3 million on our investment portfolio. It should also be noted that the 2013/14 financial year included 6 months of financial results of IBL as an associate Company and 6 months as a 100% owned subsidiary of the JMMB Group while the results for the 2014/15 financial year would have reflected 12 months as a wholly owned subsidiary.

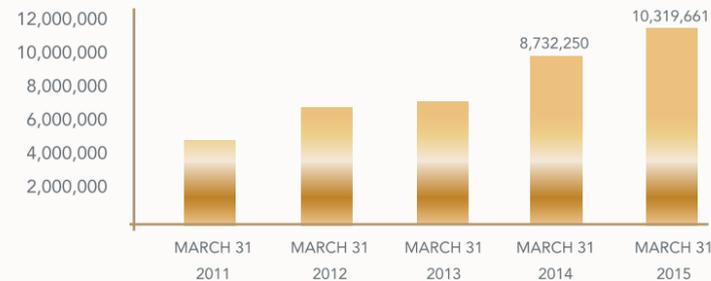
GROUP NET PROFIT (in J\$'000)



COUNTRY CONTRIBUTION

Despite the challenging economic environment, our operations in Jamaica delivered positive results contributing J\$1.3 billion to the Group’s results. Additionally, our deliberate strategy of regional diversification continues to increase shareholder value with our operations in the Dominican Republic producing strong results and contributing over J\$475 million to the Group. This was driven mainly by growth in Gains on Securities Trading as the team took advantage of market opportunities. Our operations in Trinidad and Tobago also contributed J\$120 million to the Group’s results driven mainly by contributions from the IBL Group.

GROUP OPERATING REVENUE NET OF INTEREST EXPENSE (in J\$'000)



TOTAL OPERATING REVENUES continued on an upward trajectory, growing from J\$8.73 billion to J\$10.32 billion, an increase of \$1.59 billion or 18.2%. This performance was driven mainly by increased Gains on Securities Trading coupled with growth in Foreign Exchange margins from foreign currency trading, due mainly from increased volume transactions and expansion of the Group in Trinidad and Tobago. Gains on Securities Trading grew by J\$1.09 billion (2013/14: J\$2.33 billion compared to 2014/15: J\$3.42 billion). Additionally, there were increases in revenue lines such as fees from managed funds which grew by J\$25.26 million and other fees and commission which grew by J\$119.29 million. The Group’s Net Interest Income (NII) however remained flat year-over-year at J\$5.26 billion.

EFFICIENCY

Management remains cognizant of the need to continue to prudently manage its operating expenses while we build out a solid regional operating model. In the 2014/15 financial year the Group’s **Administrative expenses** increased from J\$5.67 billion to J\$7.79 billion largely due to the expansion of the JMMB Group (through the acquisition of the IBL Group and AIC Securities in Trinidad & Tobago) which accounted for J\$1.12 billion; costs attributable to the reorganization of the Group in the Dominican Republic and growth in subsidiaries across the regional markets of J\$328.61 million; an increase in the asset tax in Jamaica of J\$179.5 million borne by the Group, as well as normal inflationary increases across the Group factored into the increase in operating expenses, year-over-year.

As we build and roll out our operating model across the region to anchor our Integrated Financial Services model, we will garner increased synergies and efficiencies from our various companies which will improve our operating efficiency through deliberate and focused strategies to grow our revenues while improving operational excellence.

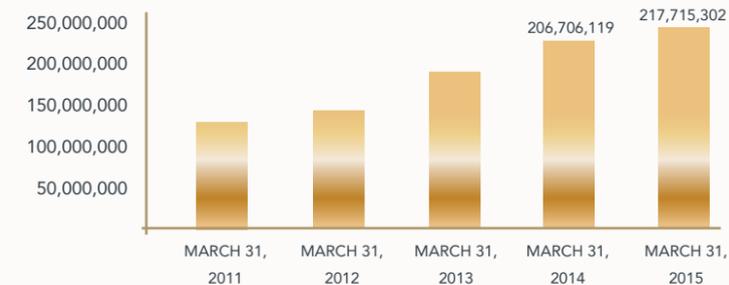
CAPITAL ADEQUACY

The individually regulated entities within the Group have complied with all externally imposed capital requirements throughout the year.

TOTAL ASSETS

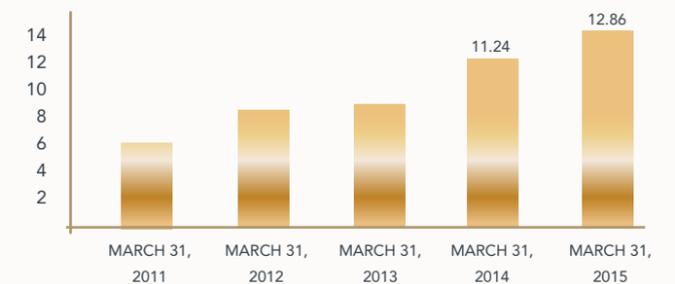
The JMMB Group’s **Asset base** increased by 5.33% or J\$11.01 billion to J\$217.72 billion. This increase in assets was due mainly to acquisition of the IBL Banking Group.

TOTAL ASSETS (in J\$'000)



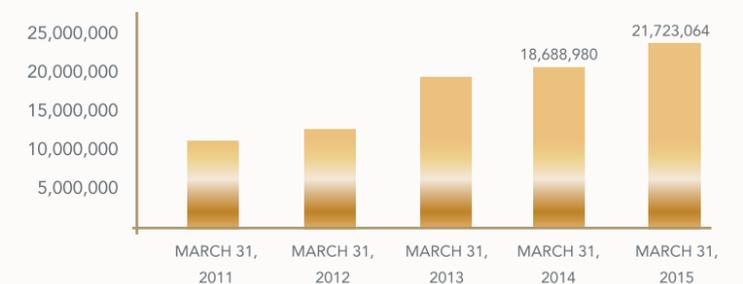
The Group’s **Book Value per stock** unit showed a significant increase over the previous financial year and is at its highest since the company listed on the Jamaica Stock Exchange (JSE). Book value per share of common stock came in at J\$12.86 up from J\$11.24 in 2013/14. The stock’s closing price on the JSE as at the end of financial year stood at J\$7.06, indicating significant value for existing and prospective shareholders.

BOOK VALUE PER STOCK UNITS (in J\$)



Shareholders’ Equity stood at J\$21.72 billion at the end of the financial year. This is the highest in the Group’s history and reflects a J\$3.03 billion or 16.23% growth over the previous year’s results. This solid capital base reflects the Group’s continued strength and is a critical ingredient for future growth.

TOTAL STOCKHOLDERS’ EQUITY (in J\$'000)



SHAREHOLDERS’ RETURNS

Total dividend paid and proposed in respect of the 2014/15 financial year amounted to J\$521.78 million. Our performance continues to drive positive shareholder returns and we remain committed to achieving long-term earnings, growth and increased returns to our shareholders.

PERFORMANCE BY COUNTRY AND STRATEGIC DIRECTION FOR 2015/2016

OPERATIONS IN JAMAICA

JMMB Investment Services Arm in Jamaica

ASSET MANAGEMENT BUSINESS LINE

Financial Year 2014/15 was characterized by a steadily improving macroeconomic environment relative to FY 2013/14. Economic growth moved from 0.2% for FY 2013/14 to 0.4% for FY 2014/15. Business and consumer confidence levels in the local market gradually improved as interest rates contracted and inflation remained contained. GDP growth, however, remained lower than projected resulting in, among other things, reduced revenues from taxes and a continued curtailing of capital expenditure. Nevertheless, the Government of Jamaica remained committed to its economic programme under the International Monetary Fund (IMF) and passed all tests administered by the multilateral lender.

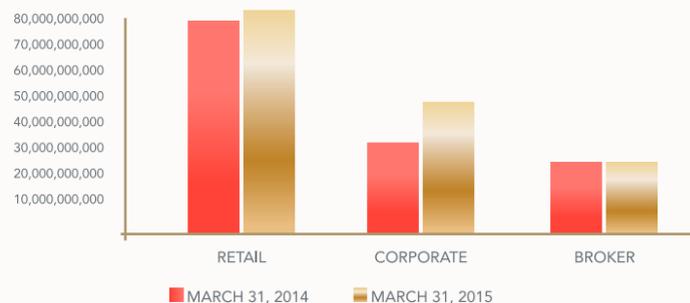
As a result of the monetary policies of the Central Bank, coupled with increased market confidence, short term interest rates decreased over the year. The benchmark six (6) month T-Bill yield fell by 2.11% moving from 9.11% in March 2014 to 7.00% as at March 2015.

Against this background, JMMB achieved overall growth in Assets Under Management of 16.96%. The corporate clients accounted for most of the growth, having grown by 58% or J\$15.8 billion to J\$43.3 billion. The retail clients registered growth of 6% closing the year at J\$75 billion, while our broker dealer segment remained stable, closing the year at J\$22 billion. The performance by client segment is a testimony to the fact that our Retail and Corporate Client segments continue to receive the benefit of value added services and win-win opportunities and hence choose to maintain their cash portfolios invested with us.

Given the decline of interest rates locally, further enhancements were made to our portfolio offerings in order to improve the diversified portfolio of assets offered to our clients. We

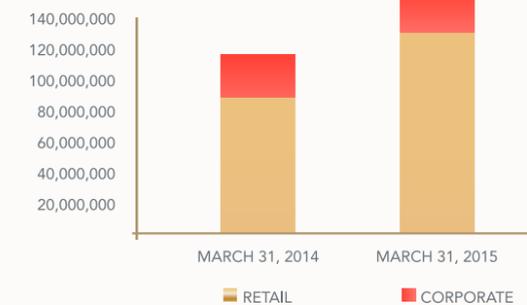
continue to add new sovereign, quasi-sovereign and corporate bonds from the Latin American (LATAM) emerging markets (EM) and Caribbean Region to our portfolio mix to assist clients to diversify their bond holdings. For the year, there was strong performance in the secondary market trading for US\$ Global Bonds, with a 47% increase in bond sales year over year. We will be looking to launch new products in the upcoming year to offer more options to our clients as a part of our off balance sheet strategy.

TOTAL ASSETS UNDER MANAGEMENT (in J\$)



For the upcoming FY 2015/16 we will stay focused on the build out of our Goal Planning Services model supported by our recently implemented Portfolio Management Tool. We will also continue to increase our off balance sheet offerings, as well as diversify our revenue streams to enhance income earning opportunities. Client education and the ongoing emphasis on offering clients a diversified portfolio of assets to meet their financial goals will play a key role in our initiatives, as we aim to keep our clients informed of the changing landscape of the local and global financial markets.

US GLOBAL BOND VOLUMES (in US\$)



JMMB Fund Managers Limited (Pension and Unit Trust business lines)

JMMB Fund Managers (JMMBFM) presently manages three unit trust funds: the Giltedge, Income & Growth and Optimum Capital Funds, with total Funds under Management (FUM) of approximately J\$4.5 billion. The financial year 2014/15 resulted in an increase in FUM of J\$1.0 billion or 31%. This was achieved in part due to a strategic focus on educating clients on the benefits of structured portfolios underpinned

by Collective Investment Schemes (CIS).

The performance of the Pension Fund Business Line continued its solid growth for the 2014/2015 financial year. The business line experienced growth in fee income of approximately 35%, and an increase in overall FUM of 19%. The unit continues to reinforce through workshops and sessions with clients, the importance of attaining long term financial stability through a proactive focus on retirement savings.

JMMBFM ended the financial year with net profits of J\$44.3 million, an increase of J\$31.47 million over the 2013/2014 financial year.

STRATEGIC FOCUS AND SUCCESS FOR 2014/15

The strategic focus of JMMB Fund Managers Limited during the 2014/15 financial year was two-fold:

- Consolidating operations with a view to improving overall efficiency within the company
- Reviewing the product suite and looking for opportunities to widen the value proposition of the offerings

IMPROVING EFFICIENCY WHILE STRENGTHENING THE CLIENT EXPERIENCE

The company embarked on a process of rationalizing systems and processes resulting in a leaner and more customer-centric operating model. As we continue to innovate, we have added the ability to transfer funds between our CIS (Unit Trust solutions) via MoneyLine - our online transaction system, which is a first in Jamaica. Unit holders participating in JMMBFM offerings now have the ability to transact on these accounts, 24/7 at their own convenience.

In support of our continued growth in the Pension Fund Management business line, a new pension administrative platform has been acquired which raises the bar in client experience and overall fund administration. Key benefits will include significantly enhanced online functionalities through our MoneyLine platform as well as faster processing of benefit payments. Implementation is slated for completion during Q2, 2015/16.

These initiatives support our strategic thrust to continue to build out operational systems that are aligned with international standards and are in support of efforts to distinguish the value-added elements of a JMMB offering, broadening our clientele and increasing our contribution to Group revenues in Jamaica. The platforms being implemented will also place us in a favourable position to efficiently offer administrative and investment management services to other companies within the JMMB Group.

PRODUCT SUITE EXPANSION

During the financial year, the company received approval from the Financial Services Commission for a new suite of funds; the JMMB Life Goal Suite, which consists of four funds, the JMMB Bond Fund, JMMB Real Value Fund, JMMB J\$ Income Distribution Fund and the JMMB US\$ Income Distribution Fund. All funds are slated for launch in Q1 (April to June) of 2015/16.

JMMB LIFE GOAL SOLUTIONS	CURRENCY	FUND COMPOSITION	RISK	EXPECTED TENURE
JMMB USD Income Distribution Fund	USD	F	Moderate	Medium
JMMB Bond Fund	JMD	F	Moderate	Medium - Long
JMMB Real Value Fund	JMD	F/E/R	Low - Moderate	Medium - Long
JMMB Optimum Capital Fund	JMD	R/F/E	Moderate	Medium - Long
JMMB Income & Growth Fund	JMD	E/F	Moderately Aggressive	Medium - Long
JMMB Income Distribution Fund	JMD	F	Low - Moderate	Short - Medium
Giltedge Fund	JMD	F	Low	Short - Medium

Legend: F - Fixed income Securities E - Equities R - Real Estate

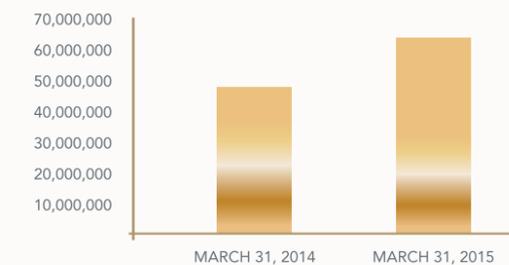
STRATEGIC OUTLOOK FOR 2015/16

As the Company positions itself in the JMMB Group, we continue to see ourselves as providing the framework, support and attractive offerings to ensure goal attainment for JMMB Group clients at any stage of their financial lifecycle. We are confident that in the short to medium term, based on the regulatory framework, investor knowledge and fund performance this company will see steady growth in investor assets managed, resulting in improvements in our market share and profit after tax.

EQUITIES BUSINESS LINE

Over the financial year 2014/2015 the trading performance of the local stock market was relatively soft as both Jamaica Stock Exchange (JSE) trade value and volume decreased by 8% and 28%, respectively. Retail and corporate participation in the market was relatively low for most of the year, due to a combination of reduced investor appetite for equities in light of a weakened confidence in the domestic economy and more attractive returns for US\$ assets, which dominated investor interest. Despite the relatively soft market conditions, JMMB Securities was able to increase the commissions earned compared to the previous year, with a total of \$62.9 million for the period.

COMMISSION (in J\$)



JMMB Securities Limited remained active in the local Capital Markets, raising over JA\$950 million in equity through the listing of the following instruments:

- 138 Student Living Common and Preference Shares (JA\$560 million)
- Eppley Cumulative 2019 Preference Shares (JA\$400 million)

For the upcoming year we intend to remain active in the Capital Markets and, with the acquisition of AIC Securities in Trinidad, will be unlocking synergies and offering our full suite of financial solutions to clients across the Group. Trading on the Regional markets (Barbados and Trinidad) remains a key pillar in our overall strategy to provide diversification options to the Group's client base.

With a positive outlook for the 2015/16 financial year, we expect some recovery in the local market indices as the fiscal landscape shows improvement and the economy returns to growth.

CAMBIO BUSINESS LINE¹

For the financial year 2014/15, the pace of depreciation of the Jamaican dollar moderated (5.0% compared to the prior year of 10.60%). The Bank of Jamaica (BOJ) maintained an active presence in the foreign exchange market stabilizing liquidity conditions. This led to a contraction of spreads as supply improved due to the fact that the Government was able to raise USD funding with relative ease. Jamaica also continued on a positive trajectory under the IMF economic program with the Net International Reserves (NIR) reflecting relatively strong levels. This resulted in improved confidence levels as well as an

upgrade in outlook for Jamaica from the international ratings agencies.

We continued to leverage our wide branch and regional network as well as increased promotional efforts to strengthen our reach in the market. We steadfastly supported businesses locally and regionally with market assessments which led to the creation of new trading relationships allowing us to capitalize upon market opportunities. For the financial year the business line contributed J\$246.3 million to the overall Group results. These winning strategies will again be employed in FY 2015/16 and we will continue to closely monitor the impact of the global regulatory environment on the operations of local cambio dealers.

CAPITAL MARKETS BUSINESS LINE

JMMB Capital Markets (JMMBCM) supports the Group and valued clients by providing tailored capital markets solutions, through the structuring and arranging of both traditional and non-traditional transactions for clients seeking a range of funding solutions. We leverage the intellectual capital of our Group network to deliver the full capabilities of our company. Our origination team, in consultation with our research unit, provides the expertise and market intelligence to develop optimal transaction structures and distribution strategies that are client specific. While 2014 was the first year of the Unit's organization as a dedicated service, the personnel assigned are all long standing and experienced bankers with many years of experience and knowledge in the regional capital markets arena.

JMMBCM covers a wide range of industries including: Real Estate, Retail & Distribution, Financial Institutions, Heavy & Light Manufacturing Industries, Utilities, Entertainment, Financial Services, Telecommunications and Transportation.

¹This excludes the volumes and revenues from our authorized dealer's licence which is held under the JMMB Merchant Bank in Jamaica.

Our clients include top and mid-tier public and private companies, including sovereigns throughout the Caribbean region which are serviced through our business units in Jamaica, Trinidad & Tobago and the Dominican Republic.

We provide our capital markets clients with differentiated access to capital through our distribution platform and we pride ourselves in our ability to be nimble and create financial solutions that enhance shareholder value. We work closely with our clients to understand their needs, assess strategic funding options and execute transactions from inception through successful completion.

Throughout the year the team structured and arranged transactions with an aggregate value of over J\$30 billion. In the coming year we will be launching our Structured Products line, continuing to increase our client base, offering new products and services, growing earnings and sustainably expanding the business throughout the region.

JMMB Insurance Brokers Limited

JMMB Insurance Brokers Limited (JMMBIB) offers a wide range of insurance solutions to meet our clients' needs. Through our expertise, we are able to specially tailor packages with leading Insurers in the market, giving us a distinct advantage and competitive edge. We offer a wide range of General Insurance and Employee Benefits coverage at very attractive premiums. As a subsidiary of the JMMB Group, the Insurance Brokerage has the opportunity to provide insurance services to the consolidated client base in Jamaica.

In a year when we saw the insurance market contracting and rates decreasing, we were able to increase our corporate portfolio business by 4%. We were strategic in acquiring the portfolio of GK General Insurance Company in Ocho Rios which contributed

to a significant increase in our client base last year. Despite several adverse economic factors and fierce competition within the market, we still enjoyed a high level of confidence from our clients as we had an 89% renewal retention rate complemented by new business emanating from clients' referrals.

Our new portfolio mix along with other initiatives undertaken during the year, many of which are ongoing, contributed to a significant increase in our Commission and Fee income. We grew commissions from \$65.59 million in 2013/14 to \$85.01 million in 2014/15, and enjoyed a 30% increase in total revenue moving from \$74.09 million to \$96.57 million.



During the year there was a change in senior management and an increase in our corporate portfolio complement, which has enhanced our ability to source and provide insurance solutions to a wider section of the insuring market. We also strategically placed insurance personnel in most of the JMMB Investment and Merchant Bank locations island wide to better serve our wider client base.

In FY 2014/15 JMMBIB received many awards from our partners for General Insurance and Employee Benefits. We are encouraged by these awards as they signify that by virtue of our efforts, we have proven to be a worthy partner in the tripartite relationship.

For 2015/16, we will continue to pursue activities aligned to our vision of achieving a strong leadership position among Brokers by focusing on growth in new business, process improvement, product and service innovation, development of our team members, client satisfaction and business retention.

Our specific strategies include:

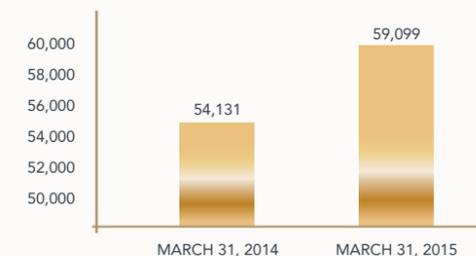
- Maximising on the unique opportunities for cross-selling that exist within the Group.
 - Strengthening the synergy with the Bank through bundling of insurance products with focus on SMEs
 - Converting the Group client base to insurance clients
 - Engaging Group frontline team members through continuous communication and awareness sessions
- Rolling-out of niche market products for Professional Bodies and other targeted groups
- Growing inorganically through acquisition of profitable retail/corporate portfolios
- Increasing operational efficiency through optimization and enhancement of key processes

JMMB Money Transfer Limited

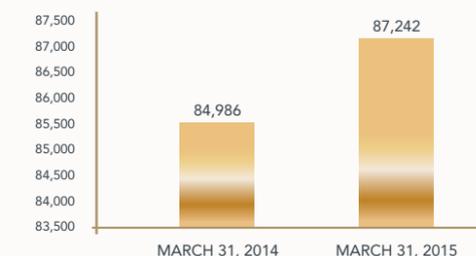
For the financial year ended March 31, 2015, JMMB Money Transfer Limited (JMMBMT) recorded an improvement in its operating revenue of J\$ 4.97 million or 9.18%, driven by an increase in transaction volumes during the financial year.

There was an increase in its Operating Expenses year-over-year by J\$6.55 million or 13%, driven mainly by increases in staff cost and IT expenses, as the team embarked on the customization and development of its new RemitONE Software, which will improve its operating efficiency and service delivery to clients. The financial year under review saw a change in senior leadership, as well as the addition of a new initiative focused specifically on increasing the agent network in Jamaica.

OPERATING REVENUE (in J\$'000)



TRANSACTION VOLUMES



STRATEGIC FOCUS FOR 2015/16

For the FY 2015/16 the team will focus its efforts around the:

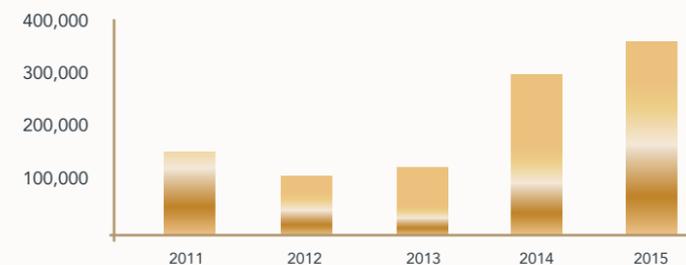
- Launch of new services to drive transaction volumes and revenue.
- Expansion of its network of Partners and Sub-Agents to give our customers more choices in the send and receive location, facilitating an increase in volume.
- Implementation of a new Money Transfer System (RemitONE) which will improve the efficiency of our operations and service delivery to our clients.

JMMB Merchant Bank Limited

JMMB Merchant Bank (JMMBMB) continued on the path of growth and stability, reflecting the company's commitment to client satisfaction and employing prudent risk management practices. JMMBMB consolidated the position achieved for the previous financial year by maintaining asset quality and continuing to grow a stable diversified source of deposit. JMMBMB will continue on the journey of offering a unique brand of banking to the sector, by leveraging the JMMB Way of partnering with clients to achieve their goals.

The Bank recorded total revenues of J\$1.20 billion for the year ended March 31, 2015 (2014: J\$1.07 billion). This represented an increase of 12%. The performance compared well with the previous reporting period as income generated from core banking activities recorded growth of 13% driven primarily by 39% growth in loan interest income and 38% in overall Net Interest Income (NII). NII was J\$862 million, up 16% over the previous period. This reflects the growth in the performing loans book as well as tight management of the loan portfolio to prevent deterioration in quality. Loan fees recorded growth of 42% as a result of increased bookings over the period. Operating Expenses recorded an increase of 11%, driven mainly by increases in assets tax and staff cost. The increase in staff cost resulted from expansion over the year in review. The expansion, however, resulted in an increased net profit of \$362 million, representing a 19% growth year over year.

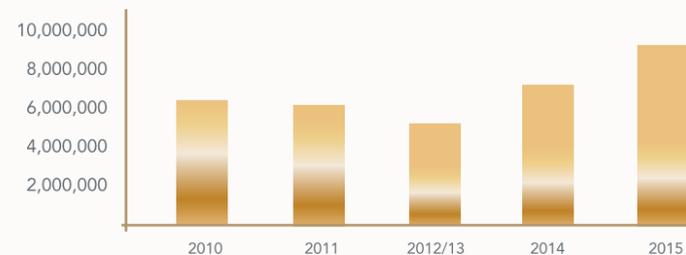
NET PROFIT AFTER TAXATION (in J\$'000)



LOAN PERFORMANCE

The Bank's loan portfolio stood at J\$9 billion (March 2013: J\$6.8 billion), year-over-year growth of J\$2.2 billion or 33%. Non-performing loans as a percentage of total loans stood at 1.17%, down from 1.41% for the previous year.

LOANS AND ADVANCES (in J\$'000)



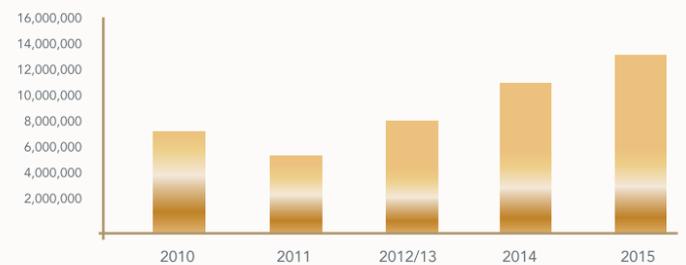
ASSETS

The Company's total assets increased year-over-year by J\$2.4 billion or 9% to J\$29.4 billion (March 2014: J\$27 billion). Growth took place primarily in loans and investment portfolios as the focus on core banking continued to be pursued for the period.

LIABILITIES

Total liabilities grew by J\$1.85 billion to J\$23.35 billion. Deposits grew by J\$2.6 billion or 24% and stood at J\$13.5 billion at March 31, 2015. Securities sold under repurchase agreements decreased by 8% or J\$746 million as the bank continued to employ initiatives to shift its primary source of funding to deposits.

CUSTOMER DEPOSITS (in J\$'000)



SHAREHOLDERS' EQUITY

JMMBMB currently maintains a sound capital base to support the growth strategies in the upcoming financial year. This base contributes to safety for the Company's clients, and fosters investor confidence, while facilitating the opportunity to grow the business line. The Bank's capital adequacy ratios, a measure of the Group's overall strength, currently exceed the regulatory requirements. Total shareholders' equity stood at J\$6.08 billion as at March 31, 2015, representing an increase of J\$568 million or 10% over the amount at March 31, 2014.

RETAIL BANKING

Having refocused on core banking activities, the Merchant bank was successful in competing in the retail banking market resulting in significant growth in the retail business. This remains consistent with JMMB's core strengths of serving clients across a wide cross section, and allows us to diversify both credit and deposit risks. The overall success in retail growth was supported by a number of key initiatives aimed at delivering on our commitment to clients through strategic partnerships. The bank is slated to establish at least two new locations over the upcoming year, through expansion of existing locations of the investment arm, as the JMMB Group continues on the path towards an integrated financial services model, providing clients with a comprehensive suite of solutions to meet their goals, delivered in a fun and loving atmosphere.

CORPORATE AND COMMERCIAL BANKING

The Bank again recorded growth in both loans and deposits in the corporate and commercial space. The market players responded well to our partnership aimed at helping them to drive growth and manage productivity in their respective businesses.

TREASURY

In spite of tight liquidity and scarcity of foreign exchange in the market at various intervals over the year, the Treasury team returned positive results.

JAMAICA STRATEGIC FOCUS 2015/16

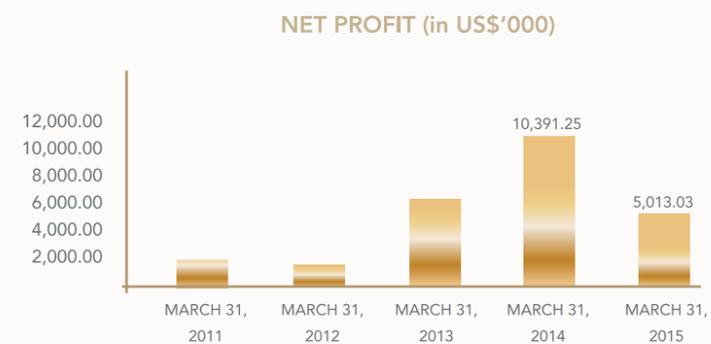
The key focus for JMMB Jamaica over the upcoming financial year is to deliver on our promise of a differentiated client experience and client goal realization, thereby continuing to build sustainable core revenues and profitability. We will see significant strides towards achieving this through:

- **The expansion of our Integrated Financial Services model; growing the Branch Network, enhancing multi-channel options and delivering a new Client Experience.** The overall success of the Investments arm, the Bank and the Insurance Brokerage is to be enhanced with the roll out of additional integrated financial services centres. Our "Financial Life Goals Centres" will deliver a unique branch experience grounded in JMMB's differentiated service delivery model in a "warm, family setting" that is "effortless and convenient" to our clients.
- **On-going Partnership with our clients:** JMMB's approach to financial planning will be enhanced to ensure comprehensive needs discovery and the provision of solutions across business lines in banking, investments and insurance. As we journey with our clients to achieve their life goals, creative solutions and our suite of products will be tailored to meet their holistic financial needs.

- **Improving Operational Excellence:** JMMB will seek to optimize our current operating structure to deliver more efficient service to our clients while streamlining and re-engineering our key processes.

OPERATIONS IN THE DOMINICAN REPUBLIC

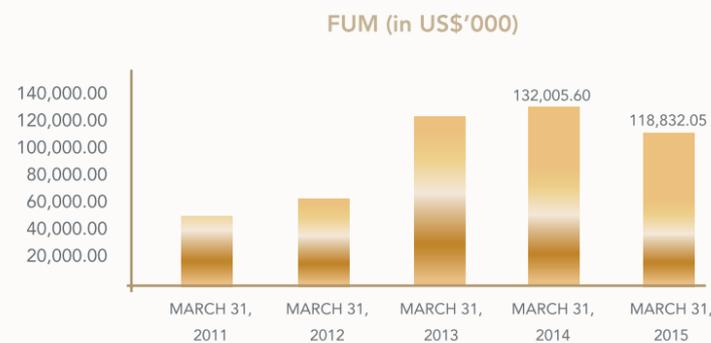
Despite the challenges and periods of instability and volatility in the market, the team in the Dominican Republic (DR) generated strong results for the financial year. For the FY 2014/15, the team posted a net profit of US\$5.01 million. The most significant contributor to the results for FY 2014/15 was Gains on Securities Trading, which was US\$6.43 million, as the team continued to take advantage of market opportunities. During the year the team also improved the market share from 13.71% to 14.48% and increased its client base from 1,549 clients to 2,095 clients.



For a second consecutive year, the team was designated as top market makers by the Ministry of Treasury and Superintendent of Securities, recognizing JMMB Puesto de Bolsa as the company

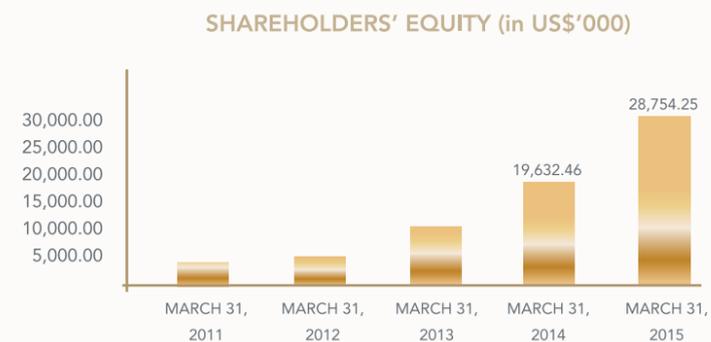
with the most transactions in the market. This demonstrates that the team is fulfilling its mandate of opening up investor access to the Securities dealer market.

Focused efforts continue in diversifying our Funds under Management (FUM) towards more stable retail funding. Despite the increased competition, the team continues to be resourceful in providing our clients with a range of investment products to fulfil their financial goals while keeping their best interest at heart. For the financial year the team was able to grow FUM to US\$118 million – one of the highest across the securities industry in DR.



SHAREHOLDERS' EQUITY

The Puesto de Bolsa currently maintains a sound capital base, which contributes to safety for the Company's clients and fosters investor confidence, while facilitating the opportunity to grow the business line. Total shareholders' equity stood at US\$28.75 million as at March 31, 2015, representing an increase of US\$9.12 million or 46.46% over the amount at March 31, 2014.



STRATEGIC FOCUS 2015/16

Our clients remain at the core of our operations. As such, in keeping with the strategic direction of the JMMB Group, we will be rolling out our Integrated Financial Services model with new and differentiated branch experiences and the launch of innovative, client-centric technologies aimed at delivering a unique value-added experience for our clients. During the year we intend to:

- Grow Market Share through an Enhanced Client Experience:
 - Continue our One Sales Force in support of the Integrated Financial Services Business Model
 - Focus on training to support new software for Group Client Experience and Intimacy programs such as Universal Client System (UCS) to facilitate a one-client approach across JMMB business lines in the Dominican Republic
 - Roll-out of the Client Experience model and framework, which is grounded in a client financial partnership
 - Roll-out a new branch look and feel in keeping the JMMB Group's new "Financial Life Goal Centres"
- Increase revenue through cross-selling opportunities
- Grow our off-balance sheet products and services with the roll-out of our Mutual Funds and Pensions business lines
- Increase operational efficiency by streamlining key processes while integrating our operations to extract synergies and increased efficiencies

OPERATIONS IN TRINIDAD AND TOBAGO

JMMB Investments (Trinidad and Tobago) Limited

JMMB Investments (Trinidad and Tobago) Limited

(JMMBITT) began operations in February 2014 with an initial focus on offering short-term fixed income products primarily to institutional clients in the form of repurchase agreements backed by regional sovereign bonds. The company successfully completed its acquisition of AIC Securities Limited during the financial year 2014-2015 thus adding greater diversity to the company's lines of business. AIC Securities had been operating in the stockbroking industry since 1975, offering products and services spanning equities trading, private and public placement of shares, underwriting and investment advice.

During the year, the team began the integration of the AIC operations into the "JMMB Way" focusing on introduction of the JMMB culture and alignment of processes. These efforts will continue into the new financial year.

JMMBITT utilizes a low-cost, high-efficiency model by taking advantage of a Group Shared Services model and leveraging the Group's operational and risk management expertise. In addition, it is our intention to work closely with the JMMB Group's subsidiary company IBL and its branch network in pursuit of a fully integrated financial services model in Trinidad and Tobago.

The financial year ended March 31, 2015 was JMMBITT's first full financial year in operation and, notwithstanding the negative downturn in oil and gas prices during the period and slower economic growth in 2014, generated profit after tax of TT\$845K, an increase of TT\$1.24 million from the previous year. The company has also grown its asset base by 90% with investments contributing 76% to the overall increase.

INTEREST INCOME AND OTHER INCOME

Total income increased year over year, with gross Interest Income on investments growing TT\$3.0 million during the financial year as a result of the higher yielding Investments added to the investment portfolio. Trading income as well as equity commissions commenced during the year, generating

revenues of TT\$1.2 million and TT\$2.0 million, respectively, or 55% of overall income for the period.

Net Investment income saw steady growth over the year, generating net income of TT\$3.0 million, which accounts for 51% of overall income and a 114% growth over the period.

OPERATING EXPENSES

Total operating expenses for the year ended March 31 2015 closed at TT\$6.1 million, up TT\$4.2 million over the previous financial year. This increase in expenses was anticipated as the company focused on building out the foundation of the business, closing the AIC takeover and integration of systems and procedures during the period. Staff cost accounted for TT \$3.2 million or 52.8% of total expenses, while premises rental and legal fees accounted for 8.3% and 10.1% of expenses, respectively.

ASSETS

The total assets of the company grew 90% over the financial year, with the investment portfolio growing TT\$52 million or 76.1% during the period. Cash and equivalents also increased significantly, moving from TT\$0.4 million to TT\$11.8 million as at the end of March 2015, as a result of increased funding from repurchase agreements.

As noted in the financial statements, on April 30 2014, JMMBITT acquired 100% of the equity of AIC Securities Limited for TT\$5.2 million. The fair value of the net assets acquired amounted to TT\$6.3 million, which resulted in an intangible asset on the statement of financial position in the amount of TT\$1.1 million.

We are pleased to note that JMMBITT's return on assets increased from negative 0.54% in 2014 to a positive return of 0.60% in 2015 while return on equity increased from negative 0.69% to a positive return of 0.72% at the end of 2015.

STRATEGIC DIRECTION 2015-2016

During the new financial year JMMBITT will continue on its integration efforts in order to achieve the expected synergies and efficiencies from its operating model.

Our focus will be on financial partnership with our clients, as we seek to provide expert financial advice that is tailored to their specific needs. We will enhance our strategic position with a high quality sales team, implementation of the JMMB trading platforms and delivery of enhanced products through development and innovation.

Intercommercial Banking Group

The financial year ended March 31, 2015 marked the Intercommercial Bank Limited (IBL) Group's second year as a fully owned subsidiary of the JMMB Group. From an operational perspective, significant effort was made during the year to inculcate the JMMB culture of love and superior client care throughout IBL, align policies and processes based on industry best practices and take advantage of the technical expertise that comes from being part of a larger financial Group.

IBL marked another milestone during fiscal year 2015 with the introduction of our Internet banking solution "IBL Bank Net" to both retail and commercial customers. This service provides customers with a fully secure online tool - a cut above the rest of the market- which allows access to and transaction from their accounts, straight-through processing for international wire transfers and real time transaction updates.

While local macroeconomic conditions were largely stable in the first half of the fiscal year, two major events jolted the local markets in the third and fourth quarters: the drastic fall in oil prices, which forced a rebalancing of the national budget, and a default by Trinidad Cement Limited (TCL) on its quarterly payments in September 2014. However, by the close of the fiscal year, both events proved to be less disruptive than expected with oil prices settling in the US\$50-60 range and TCL successfully negotiating a restructure with its creditors.

The IBL Bank Group reported a profit after tax of TT\$6.3 million for the financial year ended March 31 2015, slightly lower than the prior year's TT\$6.6 million. We are pleased to report growth in revenues from most business lines, primarily from foreign exchange trading, which generated its highest revenue in IBL's history, of TT\$33M, 78% higher than the previous year. However, we saw the effect of high system liquidity and fierce

competition in the market for business and consumer lending which negatively impacted both interest and fee-based income from loans. Despite these challenges, IBL grew its interest income by 5% over the former year, in part due to diligence in the team's recovery efforts.

While we continued to focus on improving efficiency and managing costs, operating expenses increased by 12% compared to the prior year. We note, however, that more than half of this increase was attributable to one-off expenses in staff costs, loan losses, taxes and other expenses. It is worth mentioning that the exclusion of these "exceptional" items would have resulted in profit after tax for the Group of TT\$11 million.

FINANCIAL PERFORMANCE

The IBL Bank Group recorded a Profit Before Tax for the twelve months to March 31, 2015 of TT\$10 million, an increase of TT\$1.3 million or 15.5% over the previous period. Total Net Interest Income increased by 1% to TT\$60.7 million from the previous year. Operating income for the year increased by TT\$11 million or 12.5% over the prior period. Profit after tax closed at TT\$6.3 million compared to TT\$6.6 million for the prior year. Like many companies in Trinidad, IBL took advantage of the tax amnesty afforded under the budget 2014-15 to settle prior year tax issues, resulting in a higher effective tax rate and tax expense in 2015.



NET INTEREST INCOME

Net interest income (NII), which accounts for 61% of the Group's total operating income, was TT\$60.7 million, recording a 1% increase over the prior period of TT\$60.2 million. While we successfully grew the loan portfolio by 13.2% over the previous year, excessive system liquidity has negatively impacted spreads. This notwithstanding, loan interest income increased year on year by 4% from TT\$65.8 million in 2014 to TT\$68 million in 2015, aided by interest recoveries of TT\$7.6 million on the Bank's non-performing portfolio.

Investment interest income also increased year on year consistent with the increase in the investment portfolio from TT\$80.4 million to TT\$251.3 million as at March 31 2015. Interest expense increased by 31% or TT\$2.9 million from the previous financial year. However, interest expenses on customer-related deposits decreased by TT\$656k or 7% as a result of lower deposit balances.

In April 2014, the IBL Group successfully issued subordinated debt of TT\$80 million at a rate of 4.5% which, though increasing the Group's funding costs, has significantly boosted its capital position.

OTHER INCOME

Over the financial year ended March 31, 2015, other income increased by 37% to TT\$39.2 million compared to the prior financial year of TT\$28.6 million, with revenues from foreign exchange trading accounting for the majority of this positive movement. Foreign exchange revenues recorded an exceptional 78% increase compared to the prior year, moving from TT\$18.6 million to TT\$33 million in 2014/15.

OPERATING EXPENSES

Total operating expenses increased by 8% or TT\$6.1 million for the year ended March 2015. The Group incurred several one-time expenses during the year related to staff costs, professional fees and other expenses which contributed to increases above anticipated levels and those of the previous year. The Group's operating efficiency ratio (non-interest expense to total revenue) while showing marginal improvement over the prior year, was also impacted by the aforementioned

one-off expenses. If these expenses are excluded, the ratio would have improved further to 85.2%. This is a critical area of focus for the Group into the new financial year as we work to move this ratio closer to industry standards.

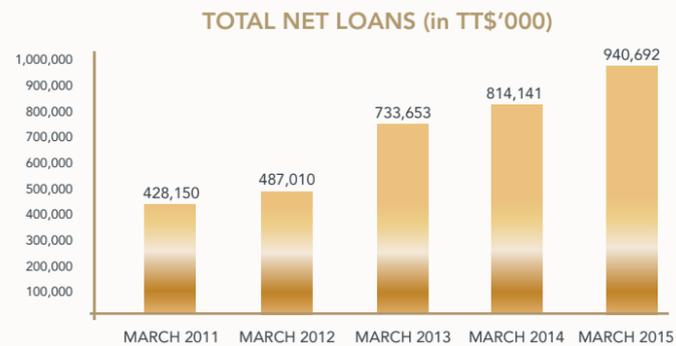


TOTAL ASSETS

Total assets increased by TT\$6.3 million or 0.4% from the previous period as a result of an increase in loans and advances and investments.

LOAN PORTFOLIO

The Group successfully grew its loan portfolio by TT\$127 million or 16% from the previous year, higher than the overall market growth rate. Loans and advances are the Group's core asset, accounting for 54% of its total assets. Asset quality also improved with the non-performing loans ratio closing at 5.8%, a decrease compared to the previous year's 6%.



INVESTMENT SECURITIES

Investment securities (including reverse repurchase agreements) are used by the Group as a source of liquidity, as well as to provide opportunities for enhancing overall returns. The investment portfolio grew by TT\$165 million or 192% over the fiscal year 2014 with investments in US dollar denominated government securities and the placement of excess liquidity funds, previously held in US\$ denominated accounts, into money market funds.

TOTAL SHAREHOLDER'S EQUITY

Total equity closed at TT\$148.7 million, an increase of \$9 million from the previous year, due to the increase in the Net Profit for the period, as well as a favourable movement in the investment revaluation reserve of TT\$2.6 million.

The statutory minimum capital adequacy requirement for banks in Trinidad and Tobago is 8%. With the issue of the subordinated debt during the year, a portion of which qualifies as supplementary capital, IBL's capital adequacy ratio closed in March 2015 at 19.46%, well above the statutory requirement.

STRATEGIC FOCUS 2015/16

As we move into the new financial year we acknowledge that there is significant uncertainty in the economic and political landscape of Trinidad and Tobago. However, the Group's focus will be on transitioning to and solidifying the JMMB Brand within the financial services landscape in Trinidad and Tobago.

We will continue our drive for growth in market share through a truly differentiated client experience, with our customers' best interest at the core of what we do and supported by a culture of love in our interactions with our team, clients and all our internal and external stakeholders.

The further development of our team into financial experts who provide our customers with superior financial advice in a warm family setting is critical to our strategy and will be a key focus in the coming year.

As we execute our strategies, efficiency and cost management will be a key priority and we will review internal processes with a view to developing an operating model that is both cost effective and sustainable into the future.

THE WAY FORWARD FOR THE JMMB GROUP: CONTINUED IMPLEMENTATION OF OUR INTEGRATED FINANCIAL SERVICES ACROSS THE REGION – "Financial Life Goal Centres" and "Client Partnership"

The JMMB Group will continue to roll out our Integrated Financial Services Model across the region over the next three to five years. We acknowledge that each country across the Group is at a different stage in the implementation of the Model. Within the short to medium term, the most significant changes will be evident in Jamaica while the other countries continue to build-out key foundational elements of the business. As such, our strategic focus will be centred on key areas which we deem critical to the Group's long-term success. These include:

- Continued roll out of our new and differentiated Group Branch experience design as grounded in JMMB's Culture/DNA. Our Integrated branches will be established as "Financial Life Goals Centres" providing 'one-stop shopping' for clients and offering "goal-oriented" solutions across various business lines in a single location.
- Improved operational excellence across the region with the roll out of our Group Operating Model to anchor our regional Integrated Services Business Model through:
 - Implementing simplified, streamlined and optimized processes across the Group to support the Customer Value Proposition (CVP) and Client Experience principles and extract synergies and efficiencies.
 - Continuing the efforts in building out an operationally efficient business at the group, country and entity level.
 - Integrating our operations in Jamaica, Trinidad and Tobago and the Dominican Republic while consolidating and extracting the synergies from our acquisitions.
- Continued roll-out of our Financial Partnership Culture (Client Partnership) – of integrity selling and partnering with our clients on a journey towards the achievement of their life goals.
- Organic Growth from the Base – maximizing cross-selling and up-selling opportunities aimed at delivering a holistic financial planning experience to our clients.

- Roll-out of our enhanced multichannel experience through the implementation of our Electronic Service Delivery (ESD) Strategy.
- Roll-out of our goal oriented financial solutions including Portfolio Management and Product Bundles (across the region where applicable) and Mutual Funds in Trinidad and Tobago, Jamaica and the Dominican Republic.
- Further diversification of our business lines through continued growth in our Capital Markets Business unit and by managing our balance sheet risk with the growth in off-balance sheet assets through Unit Trust, Portfolio Management, Mutual Funds (In Trinidad and Tobago and the Dominican Republic) and other off-balance sheet products.

The year ahead promises to be an exciting one for the JMMB Group, as we embark on a new chapter in our journey to become the premier Caribbean-grown financial group and premier group of choice across the region. In 1992, the JMMB Group pioneered the money market, providing the "everyday Jamaican" with strong investment opportunities in a warm family environment. Since then, we have grown in value with a greater regional footprint and increased business line diversification. We therefore wish to thank you, our shareholders, for investing a high level of confidence and trust in us and we invite you to continue the journey with us as we are strategically positioned to bring even greater innovation to the market providing the platform for future growth and further enhancement of shareholder value.

We would also like to acknowledge our loyal clients who continue to motivate us to find creative solutions to meet their financial goals while we serve with care, integrity and love.

We have a dynamic, engaged and competent team that remains true to our core values and is committed to the success of the JMMB Group. Notwithstanding our growth, we will remain true to our culture of delivering an exceptional client experience, which is at the heart of our core values and is the central ethos that will allow us to maintain brand loyalty and achieve the competitive edge necessary for long-term sustained success.



TALENTED
TEAMS

GENUINE
RELATIONSHIPS

PROFILES OF HEADS OF COUNTRY

KISHA ANDERSON

COUNTRY MANAGER -
JAMAICA

Kisha began her tenure with JMMB Limited in 1996, and has since worked in several areas of the company's operations. With her most recent appointment, Kisha now serves as Country Manager of JMMB's Jamaican-based subsidiaries: Jamaica Money Market Brokers (JMMB) Limited, JMMB Merchant Bank Limited, JMMB Insurance Brokers Limited, JMMB Fund Managers Limited and JMMB Securities Limited JMMB (Jamaica).

Kisha has gained an in-depth understanding of the financial sector, through her extensive experience as part of the JMMB team as well as knowledge gained through her participation in a range of professional development courses including project management, retail banking, people management and securities. She entered the field with a degree in Environmental Sciences from the UWI, Mona.

With her innovative ideas, solution-oriented work ethic and drive for excellence in performance, Kisha continues to play a key role in leading her team's contribution towards the realization of the integrated financial services model for the JMMB Group in Jamaica.

She currently sits as a director on the Boards of JMMB Insurance Brokers Limited, JMMB Fund Managers Limited, JMMB Securities Limited and JMMB Money Transfer Limited (formerly Capital & Credit Remittance Limited) and is also Justice of the Peace for Kingston.



GUILLERMO ARANCIBIA

COUNTRY MANAGER -
DOMINICAN REPUBLIC

Guillermo is the CEO of JMMB Puesto de Bolsa, S.A, and country manager of the Dominican Republic, a role he has held since 2006.

He joined the JMMB family with over 20 years' experience in the financial sector specializing in commercial banking. He worked for over 19 years with the Citigroup in regional management positions for Latin America.

He had the responsibility for operations in the 14 countries in which Citibank operated. Guillermo also served as Manager of Corporate Communications, Products and Channels at Grupo Altas Cumbres and General Manager, Corporation Financiera Miravalles in Costa Rica, before joining JMMB.

He brings to the JMMB family a variety of skills including special skills in banking, prudent risk management, strategic financial planning and mergers and acquisitions.



PROFILES OF GROUP EXECUTIVE TEAM LEADERS

KEITH DUNCAN

GROUP CHIEF EXECUTIVE OFFICER

Keith joined JMMB as Trading Manager in 1993, and in 2000 became the Deputy Managing Director. He was promoted to Group Chief Executive Officer in 2005 and has responsibility for overall performance and charting the strategic direction of the Group.

A true visionary and strategist, he has built one of the strongest trading teams in Jamaica. His financial expertise has not only benefited the JMMB Group, but also the Jamaican financial sector. A former president of the Jamaica Securities Dealers' Association, he partnered with the Financial Services Commission (FSC) in designing and implementing new structures and models to enhance the effectiveness of Jamaica's market players. In March 2011, under his leadership, JMMB was conferred with the prestigious Jamaica Chamber of Commerce 'Best of the Chamber Award' in the 'Large' category.

Keith served as a Vice-President of the Private Sector Organization of Jamaica from 2012 to 2014 and continues to contribute his service to Jamaica through various roles including membership on the Economic Programme and Oversight Committee (EPOC).

He is a Chartered Financial Analyst and holds a B.A. (Economics) from the University of Western Ontario in Canada.



DONNA DUNCAN-SCOTT

GROUP EXECUTIVE DIRECTOR, CULTURE & HUMAN DEVELOPMENT

A true visionary and possibility thinker, Donna is guided by the philosophy that: "We were born to manifest the glory of God. It is not just in some of us; it is in every one of us". She is committed to sharing this fundamental truth in all aspects of her life.

Since 2005, she has infused her zeal for empowerment and transformation into her role as Group Executive Director of Culture and Leadership Development. Currently she leads the design and development of programmes and practices to deepen JMMB's unique culture of being in the world of team members and clients and having their best interest at heart.

Donna has a B.Sc. in Engineering, as well as an MBA from the Richard Ivey School of Business at the University of Western Ontario in Canada. She also holds the prestigious Certified Financial Analyst accreditation.



CAROLYN DACOSTA

GROUP COMPLIANCE MANAGER & COMPANY SECRETARY

Carolyn has provided the JMMB Group with two decades of stellar service, beginning her stint in 1995 as a Branch Supervisor. Since then, she has held several senior positions including Branch Manager for JMMB's flagship location, Settlement Manager, Technical Operations and Compliance Manager.

She has operated in the role of Group Company Secretary since 2008. In this capacity, she has overarching responsibility for ensuring that the organization complies with standard financial and legal practices and maintains the defined standards of corporate governance. As such, she oversees the establishment, implementation and monitoring of the Group's compliance and regulatory framework.

In keeping with JMMB's commitment to effective corporate governance, she ensures the compliance of all relevant statutory and regulatory requirements, as well as the management of the internal audit process, monitoring changes in relevant legislation and the regulatory environment and taking appropriate action.

Carolyn's professional qualifications include a Bachelor of Laws from the University of London, A Bachelor of Arts from the University of the West Indies, and an MBA in Finance from the Manchester Business School. Additionally, she is a Fellow Member of the International Compliance Association and a Justice of the Peace for the parish of St. Catherine.

PROFILES OF GROUP EXECUTIVE TEAM LEADERS

PATRICK ELLIS

GROUP CHIEF FINANCIAL OFFICER

Since 2008, Patrick has held the post of Group Chief Financial Officer, a role which includes the oversight and execution of the company's strategic and financial operations. Chief among his responsibilities are the preparation of financial statements, regulatory reporting, assessing the viability of possible acquisitions, as well as risk management for JMMB's operations in Jamaica, Trinidad & Tobago and the Dominican Republic.

Before beginning his stint at JMMB, Patrick served as a director in the Audit Assurance and Advisory Department at PricewaterhouseCoopers (PwC), where he led the management of the audits of major companies in the financial and telecommunications industries in Jamaica and the wider Caribbean. His experience as a multi-sectoral relationship manager included preparing a company for private listing on the Securities Exchange Commission and audit certification pertaining to bond offerings in international capital markets.

Patrick holds an MBA (Finance) from the Manchester Business School and is also a Fellow of the Chartered Association of Certified Accountants (U.K.), a Fellow of the Institute of Chartered Accountants of Jamaica as well as a Certified Public Accountant.



JANET PATRICK

FINANCIAL CONTROLLER – PLANNING AND STRATEGY

Janet was appointed Financial Controller in 2007, being promoted from her initial position of Chief Accountant, which she held from 1998.

In her current role, her extensive experience in accounting and auditing are called upon, as she has direct responsibility for the preparation of the Group's budget and forecasts as well as management reporting.

Prior to joining JMMB, Janet garnered extensive experience in the financial sector, primarily as a member of the senior audit staff of KPMG Chartered Accountants, working on major audit assignments and several special projects, spanning the financial, manufacturing and hospitality industries.

Janet is a Chartered Accountant with a Diploma in Business Administration (Accounting) from the University of Technology, Jamaica.

JULIAN MAIR

GROUP CHIEF INVESTMENT STRATEGIST

With over 20 years of experience in the financial services sector, Julian currently operates as JMMB's Group Chief Investment Strategist. In addition to his position at JMMB, he has played a significant role in the development of Jamaica's capital market.

His work experience includes positions at foremost Jamaican financial institutions, as Head of Treasury and Investment Services at Dehring, Bunting and Golding Limited (now Scotia Investments Jamaica Limited) and Senior Trader and Cambio Manager at JMMB. In addition, he has partnered and consulted with various international financial institutions and the Government of Jamaica, in structuring Global Bond Issues. A former Managing Director of Lets Investment Limited, his leadership resulted in the boutique operation becoming a global player in the trading of internationally issued securities.

A founding member and current President of the Jamaica Securities Dealers Association (JSDA), Julian also serves various institutions as a director, including JMMB Securities Limited, JMMB International Limited, JMMB Puesto deBolsa and the Jamaica Stock Exchange.



KERRY-ANN STIMPSON

GROUP MARKETING MANAGER

Kerry-Ann is an expert financial marketer whose strong passion for her craft has led to continued top-level performances, and a marketing career defined by excellence. With over 10 years marketing management experience in the financial services sector, Kerry-Ann added even greater heft to the JMMB marketing team in late 2012, when she assumed responsibility for marketing strategy development and execution for the JMMB Group, as Group Marketing Manager.

Her professional journey in marketing began at the former Dehring, Bunting & Golding Limited (DB&G), in 2002. Under her leadership, the marketing approach of the DB&G brand became synonymous with both a unique style of creativity, and pushing the proverbial envelop. In 2007, she then took up the role of Assistant Vice President, Marketing and Public Relations, at First Global Bank Limited; then moved to an expanded role as Assistant Vice President, Marketing, for First Global Bank and First Global Financial Services Limited, in 2008.

Kerry-Ann holds a Bachelor of Science (BSc.) degree, with a major in Management Studies and minor in Economics, from the University of the West Indies and a Master of Business Administration (MBA), with a specialization in marketing, from the University of Maryland (College Park).

Kerry-Ann is also a communication coach, a motivational speaker and (her personal favourite) a summer camps counsellor of teenagers and young adults.

PROFILES OF GROUP EXECUTIVE TEAM LEADERS

IMANI DUNCAN-PRICE

GROUP CHIEF STRATEGY OFFICER

Imani joined the JMMB Group as Group Strategy Manager & Manager, Corporate Solutions, and then as Group Marketing Manager, led the brand and marketing strategies across the region. She is currently Group Chief Strategy Officer with responsibility for developing corporate strategies and ensuring alignment among the various subsidiaries to enable sustainable profitable growth for the diverse business lines in Jamaica, the Dominican Republic and Trinidad & Tobago.

Imani was listed among one hundred and eighty-seven (187) under forty leaders worldwide selected by the World Economic Forum as 2015 Young Global Leaders (YGL). She is a founding member of the Caribbean Policy Research Institute, a Board Director of the National Parenting Support Council and of the Y.U.T.E. (Youth Upliftment Through Employment) Programme and a Senator with the Government of Jamaica.

Imani honed skills in strategy, consumer analytics, marketing and product positioning through several postings at the Boston-based consulting firm, Monitor, the OTF Group and the World Bank as she worked with companies and Governments in Bermuda, Dominican Republic, Rwanda and Jamaica. As a former Director of the Development Bank of Jamaica (DBJ), and member of its Investment and Credit Board Committee, Imani garnered further knowledge of financing options, deal structuring and regulatory bodies.

She holds a BA (Honours) in Economics and a Master's degree in International Development from Harvard University. She is a former Miss Jamaica and during her reign she focused on sustainable environmental practices as well as violence-reduction in schools.



PAUL GRAY

GROUP CHIEF INVESTMENT OFFICER & TREASURER

With over 15 years in the financial industry, Paul brings a wealth of knowledge and experience to his role of Group Chief Investment Officer, having built a solid track record in asset management and trading. In this capacity, he has Group oversight responsibility for the investment management framework, which includes portfolio build out and management, liquidity planning and hedging strategies.

Paul is the Chairman of the Group Investment and Liquidity Management Committees and also serves on the Board of JMMB Insurance Brokers Limited, JMMB Securities Limited, JMMB Fund Managers Limited and JMMB SAFI. He is a member of the ALCO committees of JMMB Merchant Bank and Intercommercial Bank Limited. In addition, he is the President of the Jamaica Primary Dealers Association.

Paul has received professional training in treasury, asset/liability and risk management, both locally and overseas. He also holds a Master's degree in Finance from the Manchester Business Schools UK.

DAMION BROWN

GROUP RISK MANAGER

Damion's 10-year journey in finance has been one led by passion and delivered with purpose. Always possessing a keen interest in finance and how it enables economic growth and improvements in people's lives, Damion has built a career that is defined by strong technical expertise in risk and macroeconomic analysis and investment management.

As Group Risk Manager, he possesses certified skills and vast experience in the industry, starting with his first professional assignment as an Economist at the Bank of Jamaica in 2003. This four-year position prepared him well to enter the unique world of investment at JMMB, as an Investment Strategist in 2007.

Within a year, Damion was appointed Market Risk Manager and, following a three year hiatus from the Group when he was Principal at the Bermuda Monetary Authority, returned to assume his current position in 2012. He now has oversight of risk functions for the diversified financial services company, providing leadership to the risk management functions across the group.

In addition to holding a BSc and MSc in Economics from the University of the West Indies, Damion also has several professional certifications including Chartered Financial Analyst (CFA Institute), Financial Risk Manager (Global Association of Risk Professionals), Professional Risk Manager (Professional Risk Managers' International Association) and Chartered Alternative Investment Analyst (Chartered Alternative Investment Analyst Association) which have strengthened his expertise and the value he offers to clients.



SHELDON POWER

GROUP CHIEF INFORMATION OFFICER

Sheldon currently serves as Group Chief Information Officer, following over a decade and a half of service to the company. In his position as Head of the Technology Unit, he has a mandate to ensure a stable and secure electronic platform for the ongoing provision of services that enhance the efficiency and effectiveness of the JMMB Group of Companies. He is also responsible for creating and maintaining a highly professional, customer oriented and innovative IT function and developing and delivering a reliable IT strategy that drives excellent outcomes. Further, he directs the operations of JMMB's technology platform, ensuring network security and reliability, overseeing the data centres and frontline applications including online services, electronic transaction machines (ETMs), client care centre and other in-branch transaction processing systems, information security and IT disaster recovery.

Sheldon holds a Bachelor of Science degree from the University of the West Indies, Mona and a Masters degree in Industrial and Systems Engineering from the University of Florida. His expertise is supported by various certifications including Project Management Professional (PMP), Certified Information Systems Auditor (CISA), Certified Information Security Manager (CISM), Certified Scrum Master and ITIL V3 certified.

Sheldon serves on the Board of Directors for JMMB Fund Managers Limited and JMMB Investments, Trinidad & Tobago.

PROFILES OF HEADS OF ENTITIES

KEISHA FORBES

HEAD, INVESTMENT SERVICES
JMMB LIMITED

Keisha Forbes joined JMMB Limited. in 1997 as a Trading Assistant and has been involved in trading JMMB's portfolio in various capacities for the last 18 years. Prior to being appointed to her new role as Head, Investment Services for JMMB Limited., she was Head of Trading and Treasury.

As Head of Investment Services Keisha is responsible for leading the development and execution of the strategy. She is responsible for the growth and development of various units; trading and treasury, retail and corporate frontline, frontline operations, client fund services and the electronic channels. Keisha ensures that revenue, market share, profit targets and other key performance indicators are met.

Keisha holds a Master's degree in Finance and Banking from Mona School of Business, UWI and a Bachelor's degree in Business Management from Nova South Eastern University.

Additionally, she is a director of JMMB Securities Limited. and Capital and Credit Remittance Ltd.



JEROME SMALLING

CEO, JMMB MERCHANT BANK
LIMITED

Jerome joined the JMMB Group team in 2013. Boasting an esteemed 24-year career in banking, Jerome has honed critical coaching, sales leadership and business development skills to grow assets and profitability, while driving customer value at the financial institutions at which he was based. His career has included tenures as Scotiabank Branch Manager; Vice President, Personal Banking at RBC Caribbean and most recently Manager, Branch Sales Strategy Initiatives at the RBC Royal Bank's National Office in Toronto Canada.

Jerome's diverse and senior experiences in banking has allowed him, alongside a dedicated team to steer the JMMB Merchant Bank on a path of profitability since being acquired as part of the Capital and Credit Financial Group.

He holds an MBA and a Bachelor's degree in Business & Professional Management from the H. Wayne Huizenga Business School, Nova Southeastern University, Florida USA. Jerome is also a Fellow of The Institute of Canadian Bankers and completed executive training at The University of Pennsylvania's Wharton Business School.



SHARON GIBSON

GENERAL MANAGER, JMMB MONEY
TRANSFER LIMITED

(FORMERLY CAPITAL & CREDIT REMITTANCE LIMITED)

The JMMB Group remittance arm, JMMB Money Transfer, is now headed by experienced financier, Sharon Gibson who has over 15 years at the managerial level in the financial industry. Before joining the JMMB team, she held several senior positions at National Commercial Bank (NCB) spanning remittance, customer service, project management, product development and operations. She is the former manager for NCB Remittance Services. During her stint at that institution she climbed the ranks while broadening her experience through her serving as Product Development Manager, Customer Service Manager and Operations Manager. Also while at NCB, Sharon served as Chair of the Audit Committee of the NCB Cooperative Credit Union.

Sharon holds an Executive Masters of Business Administration (EMBA) from The University of the West Indies, Mona in addition to other professional designations including AICB from the Canadian Institute of Bankers. She also holds a Diploma in Management Studies from the Jamaica Institute of Management (JIM), now UTech/JIM School of Advanced Management.

PROFILES OF HEADS OF ENTITIES

CHRISTOPHER WALKER

HEAD, CLIENT FUND SERVICES,
JMMB FUND MANAGERS LIMITED

Christopher joined the JMMB team in September 2012, following JMMB's acquisition of the Capital and Credit Financial Group (CCFG). A veteran financier, having served over 16 years in the financial services industry; he was appointed to his current position at the helm of JMMB Fund Managers in April 2013. During his tenure at CCFG his responsibilities ranged from being the Business Development Manager of the Merchant Bank, to Manager of the Pension Fund Unit, Snr. Manager - Client Services and Pensions, AVP - Wealth Management and ultimately the Senior Vice President and General Manager of Capital and Credit Securities Limited (CCSL) and Capital and Credit Fund Managers (CCFM).

His post as Head, Client Fund Services, JMMB Fund Managers Limited (JMMBFM) sees him continuing to offer expert leadership in guiding the strategic positioning of the company's off-book client portfolio, with particular focus on collective investment schemes (CIS) and pension funds.

Complementing his vast experiences is a BSc. in Management and Economics from the University of the West Indies, Canadian Investment Manager Designation from the Canadian Securities Institute and a Master's in Business Administration (MBA) from the University of Liverpool.



SHERON GILZEAN

GENERAL MANAGER, JMMB
INSURANCE BROKERS LIMITED

A recent addition to the JMMB Group executive team, Sheron Gilzean, was appointed to the post of General Manager of JMMB Insurance Brokers Limited in 2014. She boasts a wealth of experience with in depth knowledge of the insurance industry having amassed more than 25 years of experience in every facet of the industry. An expert in claims and underwriting, risk management, team building and relationship management, Sheron's career spans several local insurance companies and brokers.

Prior to joining the JMMB team, she served as Managing Director at Covenant Insurance Brokers for five (5) years. She also served as a part of the management team at British Caribbean Insurance Company following a 13-year stint at American Home Assurance Company. In addition to being an insurance practitioner, Sheron has been a part-time lecturer at the College of Insurance & Professional Studies since 2003.

Her educational attainment complements her experience. She is the holder of both an undergraduate and postgraduate degree from The UWI, Mona and is a Fellow Chartered Insurance Professional with the Insurance Institute of Canada.

An avid volunteer, Sheron serves as the Treasurer for Kiwanis Club of Constant Spring and is the co-founder of the Norman Gardens Reading Club, mentoring at-risk children. She is also an Executive and Chartered Member of Jamaica Society of Insurance Professionals and Technicians (JSIPT), which is responsible for maintaining the high standards of the insurance profession.

NIGEL ROMANO

CEO, INTERCOMMERCIAL
BANK LIMITED

Nigel is Managing Director and Chief Executive Officer of IBL Bank. He is a Chartered Accountant and has extensive international banking and accounting experience, having worked in countries such as Indonesia, Hong Kong, Singapore and the Philippines.

Prior to joining the JMMB family he served as Vice President, Operations (Acting) at the Caribbean Development Bank, with responsibility for the bank's Projects and Economics Department. He has also held several senior positions in banking such as CFO for Citibank in Trinidad and Tobago and Tax Corporate Finance Partner at Ernest & Young. At IBL Nigel is charged with the overall strategic direction and operational framework of the bank.

As a strategic thinker, he has a reputation for delivering strong results and sustainable profitable growth. Mr. Romano holds a B.Sc. in Management Studies and an M.Sc. in Accounting from the University of the West Indies.



RONALD CARTER

CEO, JMMB INVESTMENTS
(TRINIDAD & TOBAGO)
LIMITED

Ronald is the Chief Executive Officer of JMMB Investments Trinidad and Tobago. His financial services and investment management experience spans 20 years across the Caribbean and the United States. He has held several senior positions within a number of top tier global financial institutions and successfully led businesses in wealth and investment management, capital markets and corporate banking. Ronald has significant technical experience in corporate finance and investments and has an outstanding track record in managing large and highly sophisticated investment portfolios. His career has been built through his all-embracing approach to management and focus on service. He is also a successful entrepreneur, having co-founded, built and sold a successful company that delivers specialized information management services to large and medium size institutions.

He has served and continues to serve on a number of corporate boards and enjoys sharing and developing students when lecturing at the Arthur Lok Jack Graduate School of Business in Corporate Finance.

Ronald holds a BSc. Honours - Business Management with a major in Accounting from the University of the West Indies and a Master of Business Administration with a concentration in Finance from the New York University-Leonard N. Stern School of Business.



LOVE AT OUR CORE

VISION OF LOVE

> JOAN DUNCAN FOUNDATION

Strong Sustainable • Community Partnerships • Standing In Love



CORPORATE SOCIAL RESPONSIBILITY: CONTINUED COMMITMENT

The vision of the Joan Duncan Foundation is “to enable Jamaicans to tap into their potential for greatness and have their greatness impact their own lives, and enhance the lives of their communities”. The Foundation’s mission is to develop, support and steward transformational initiatives in education and entrepreneurship to create and inspire positive change. The vision and mission, grounded in JMMB’s values of love, openness, honesty, integrity and care, are helping the Foundation to drive the transformation that will ultimately lead to a more prosperous and abundant society.

The actions of the JMMB Team members are the embodiment of the vision and mission of the Foundation: engagement in outreach initiatives geared toward the empowerment of people and their communities and facilitated by the network of branches.

NATIONAL PROJECTS

The Foundation sees a strong alignment between its vision and mission and the national thrust towards transforming education to meet Jamaica’s 2030 First-World Vision. It therefore supports educational programmes focused on achieving this bold vision. In partnership with the Ministry of Education, the Foundation is currently developing its National Project, “Conversations for Greatness”, to foster a vision-led and values-based transformation within schools.

Y.U.T.E. - YOUTH UPLIFTMENT THROUGH EMPLOYMENT PROGRAMME

The Joan Duncan Foundation continued its support of the Youth Upliftment Through Employment (Y.U.T.E.) Limited, a registered charitable organisation based in Kingston. A coalition of concerned

private sector companies, multilateral agencies, and the Jamaican Government, leads the Initiative.

Phase 1 of the YUTE Programme was introduced in 2010 to address chronic levels of crime and violence among youth in marginalised communities across the Kingston Metropolitan Area. The Private Sector Organisation of Jamaica (PSOJ), was responsible for Phase 1 of the Programme. Keith Duncan, JMMB Group CEO, chaired the Programme Development and Implementation Committee and Imani Duncan-Pryce, JMMB Group Chief Strategy Officer, lent her expertise to steering the Communications and Creative Engagement process.

In December 2013, Phase 1 of the YUTE Programme was completed. It was adopted in January 2014 by the ICD Group and chaired by PSOJ Past President, Joseph M. Matalon. A new Board of Directors was convened and a dedicated management team was hired to undertake Phase 2 (YUTE 2.0) of the Programme.

YUTE 2.0 is strategically focused on strengthening existing programmes and developing and delivering new and innovative programmes to provide opportunities for youth employment and self-employment in traditional and non-traditional industries.

CHILD RESILIENCY PROGRAMME

The goal of the Child Resiliency Programme (CRP) is to prevent high risk behaviour in adolescence, including violence and abuse, by targeting parents and pre adolescents. The Programme builds on the strengths of preadolescents and focuses on five areas: 1) Life skills training 2) Academic support (primarily literacy) 3) Nutrition and Sports to reinforce life skills 4) Creative Expression to reinforce Life skills, and 5) Positive Parenting and Family support.

In the 2014-15 period, 190 children (130 boys and 60 girls between the ages of 9 and 11 years) from Grade 5 were officially enrolled in the Programme. During the period, the number of centres across Jamaica increased to three and this allowed the CRP to widen its outreach to parents and their preadolescents. This included; YMCA 72 children, Boys Town -72 children, and Falmouth All Age - 46 children.

TRANSFORMATIONAL TRAINING

Underpinning all the activities of the Joan Duncan Foundation is the recognition of the importance of the person; one’s social intelligence and how this affects all areas of one’s life. Recipients of funding from the Joan Duncan Foundation are given the opportunity to participate in a one-day course designed to help them to tap into their talents, fuel their passions and empower their lives. Topics addressed include “Understanding Yourself, Understanding your role as a citizen of Jamaica”, and “Recognizing your greatness”, among others.

Scholarship recipients, their parents and football coaches are a few of the beneficiaries who have attended these courses.

The support of activities that facilitate this transformational training is also important. To this end, the Foundation has funded capacity building workshops for guidance counsellors and empowerment training sessions for the public.

EDUCATION

JOAN DUNCAN SCHOOL OF ENTREPRENEURSHIP, ETHICS & LEADERSHIP

Support for The Joan Duncan School of Entrepreneurship, Ethics and Leadership (JDSEEL), College of Business and Management, at the University of Technology, Jamaica continued in 2013-2014. The School was renamed in a move to promote ethical standards in business, reduce corruption in Jamaica and foster socio-economic development, as well as to honour JMMB’s co-founder, Joan Duncan.

In keeping with that commitment, the inaugural Joan Duncan Memorial Lecture was held in May 2014 with Ms. Paula Llewellyn delivering the keynote address, “The Impact of Effective Leadership, Ethics and Values on Corporate Governance and National Development”.

READ ACROSS JAMAICA

We were pleased to participate in Read Across Jamaica Day. Team members from all branch locations read to students at various schools islandwide, demonstrating to the young ones the importance of reading and literacy to overall development.

SCHOLARSHIPS

To ensure that future generations are equipped to fully contribute to a prosperous society, academic scholarships and bursaries were provided to several individuals from the primary to the tertiary levels, as well as summer camps. Two new scholarships in support of the arts at the Edna Manley College of Visual & Performing Arts and a Scholarship for Journalism at the University of the West Indies were offered in 2013-2014.

SCHOOL IMPROVEMENT

Throughout the year the Foundation supported several school improvement initiatives with donations to:

- St. Christopher’s School for the Deaf toward emergency alarm lights

- St. Andrew High School for Girls toward the repair of a roof
- Ardenne High School toward the development of a cricket facility
- St. George's College toward the improvement of a science laboratory
- Greenwich All Age School toward the repair of a fence
- Papine High School toward establishment of a greenhouse
- Liberty Academy at the Priory toward the repair of wooden floor

CAPACITY BUILDING WORKSHOPS

Recognizing the need to build capacity in organizations across the island, the Foundation supported several workshops throughout the year for:

- Guidance Counsellors
- Counsellors in Art Therapy
- Jamaica Midlife Health Society
- Jamaica Christian School for the Deaf

JFF COACHING SCHOOL

The Joan Duncan Foundation continued its support of the JMMB/JFF/UTech Coaching School which was established in 2009. We are pleased to have maintained our partnership with both the JFF and UTech, as we ultimately move toward the advancement of the national football programme through raising the standard of local coaching and the development of a uniform coaching philosophy.

To date, 745 coaches across the Island have responded positively, taking on the challenge of equipping themselves to adequately train the talented youngsters who represent Jamaica in the sport on different levels; to turn talent and inspiration into results, and ultimately, to continue to inspire positive change in our society, through the very important avenue of sports.

ENTREPRENEURSHIP

In fulfilling our promise to support innovation and entrepreneurship at the tertiary level, the Foundation sponsored the UWI Venture Challenge Competition for a second year. Teams/individuals presented their business plans to a panel of independent judges with the aim of convincing them that they can be most successful in implementing their business plan and achieving the business goals that were outlined. The judges are drawn from the private sector and from the University.

The Foundation also offered its support to the National Youth Service Entrepreneurship competition and the Teen Challenge Jamaica pepper growing project for sustainability.

COMMUNITY INVOLVEMENT

Out of a recognition of *"the link between the organization and the wider society and the inter-relatedness of all life"*, our branches and team members continued to be active in the communities within which they operate. The teams devoted their time, talent and financial assistance toward various activities, as they sought to empower individuals within their communities. During the course of the year, team members were involved in education and sports-related activities as well as general outreach initiatives.

CUMI – COMMITTEE FOR THE UPLIFTMENT OF THE MENTALLY ILL

The Foundation continued to be a strong and consistent supporter of this gem of a programme which provides comprehensive rehabilitation for those who face mental challenges as well as homelessness. Activities designed to improve the lives of participants by the imparting of the necessary knowledge and coping skills, required to empower participants to live normal, productive lives within their families and in society.

The Foundation also sponsored the annual CUMI 'Come Run' fundraising event in September which saw team members from across the island donning their sneakers.

1. CEO of Joan Duncan Foundation, Kim Mair (right) congratulates scholarship recipient Loya Haughton. Proud mother, Carol Edwards-Haughton looks on.

2. Deputy Matron Elise Fairweather-Blackwood from the Victoria Jubilee Hospital gives Patricia Sutherland, Chair of the Joan Duncan Foundation a check-up using one of the newly donated mobile blood pressure machines. Looking on are (L-R) Kim Mair, CEO, Joan Duncan Foundation and members of the Victoria Jubilee team, Beulah Stevens and Dr. Orville Morgan.

3. Chair of the Joan Duncan Foundation, Patricia Sutherland presents a cheque towards a Journalism scholarship to CARIMAC's Professor Hopeton Dunn.

4. Anjule Young (left) shares the secret to the winning innovative recipe with CEO of the Joan Duncan Foundation, Kim Mair (right) in the presence of team-mate, Karen Davis. The team dubbed, Nature's Recipe was presented with several awards including the top prize and the Joan Duncan CSR Award at the recently held Vincent HoSang/UWI Venture Competition.

5. The Joy of Giving: JMMB's Country Manager, Jamaica, Kisha Anderson (left) is pleased to hand over a cheque valued at J\$200,000 to members of the Girl Guides Association of Jamaica (from 2nd left-right): Betty-Ann Blaine, Chairman, Finance Committee, Marjorie Gaynor and Chief Commissioner, Jossett Francis-Wint.



AUGUST TOWN SPORTS DEVELOPMENT

The Foundation's relationship with the August Town Sports Development Foundation continued with the support of their summer football programme, designed to keep at-risk youth involved in positive extra-curricular activities. This support is tangible acknowledgement of the importance of sports as an intervention strategy in community development.

Consistent with our Vision of Love, we supported initiatives spearheaded by communities in the wider society. Our team participated in various events throughout the year, including various community based activities such as fundraisers for school events, care packages and sports activities.

LABOUR DAY & 5Ks

In championing community development, the JMMB family formed teams to labour for Jamaica. Team Kingston joined forces with the Port Royal Marine Laboratory in a major beach cleaning activity in Port Royal. Team Mobay partnered with the Mobay Marine Park to remove 120lbs of garbage from the mangroves. The front of the Portsmouth Primary School got a face-lift from Team Portmore.

Unwavering in their support of the many fundraising 5Ks held throughout the year, JMMB team members as well as their families suited up and took part in these fun, healthful events which also contributed to team building. These included Sagikor Sigma, Dress for Success Power Walk, Jamaica Cancer Society Relay For Life (Ocho Rios), Mobay City Run and Reggae Marathon.

PICKNEY LOVE

JMMB team members continued to champion the cause of children living with HIV/AIDS. "Dare to Care" is the HIV/AIDS programme of Mustard Seed Communities that was established out of the great need to provide care to abandoned or orphaned HIV/AIDS infected children in Jamaica. The "Dare to Care" programme now includes three homes in Kingston.

During the year, the Team raised \$1.63M in donations for "Dare to Care" from its charity concert "PICKNEY LOVE AT CHRISTMAS" featuring headline acts, Tarrus Riley, Omari and No Maddz, alongside JMMB talents staged on December 9 at the Karl Hendrickson Auditorium, Jamaica College.

FUNDING OF MEDICAL PROJECTS

Recognising that physical wellness is a most critical component in achieving full potential, the Foundation has assisted in funding of vital equipment, studies and projects: including the:

- University Hospital of the West Indies mobile electrosurgical machine for Operating Theatres
- Cornwall Regional Hospital: Neuromuscular Stimulator for the Physiotherapy Department
- Sickle Cell Foundation: Screening of Newborns Study
- Donation for the Mandeville Regional Hospital to the Rotary Foundation for matching funds
- UWI Research Project "The Prevalence of Low Vision and Blindness in Jamaican Children"

We recognize that as an arm of a corporate entity, it is our responsibility and our purpose to support the building of our society and we are thankful that God has enabled us to make our contribution to this important effort.

An intrinsic characteristic of leadership is a willingness to serve, to make the lives of others better. So, in essence, it is about helping others to realize their dreams, it is about achieving our full potential as individuals, communities and a nation, and it is about recognising our power within. But, most of all, it is about love and respect.



> VISION OF LOVE



JMMB is seeking to create an organizational environment in which team players can achieve their full potential. Accordingly, the teams at JMMB are committed to a long-term ongoing process of holistic development that recognizes the complete development of the individual. JMMB is therefore, a medium through which individuals may have dreams for themselves; and can extend those dreams beyond the organization into an infinite, prosperous and abundant society and universe. Each person is loving and respectful of each other, and represents an important link in a chain of LOVE serving each other, sharing ideas; building each other. Hence the JMMB vision is shared by all team players.

The JMMB Team is clear that the organization is based on UNCONDITIONAL LOVE and MUTUAL RESPECT. This LOVE is expressed in ongoing day to day working relationships and performance. Unconditional love is expressed in every interaction and is the foundation upon which the organization rests. Love motivates the JMMB team to serve our clients who are a very special part of our family. The driving force of the organization is to provide opportunities for team players to expand their potential, to recognize the power within and their ability to fully express and manifest this power to the benefit of the individual, the organization and the society. In the process, all individual and organizational goals are achieved.

This is the central ethos / philosophy of JMMB and becomes increasingly challenging as the organization increases in size. This innovative approach to life represents a new way of looking at the world, where equality and equity are dominant. Hence, this represents a paradigm shift.

JMMB is therefore, actively and publicly involved in charitable and voluntary activities within the society and recognizes and accepts its social responsibility, understanding that it has everything to do with JMMB which is part of the link in the wider chain. With this perspective, the JMMB team recognizes diversity, while celebrating differences among team members, realizing that there are commonalities that bind members together. When this "One-Ness" is accepted, nurtured and developed, this enhances the ongoing implementation of the shared vision. The intention is to ensure that wherever conflict exists, we aspire to a positive outcome.

JMMB is committed to life in all its abundance. Accordingly, team players recognize the links between the organization and the wider society and the inter-relatedness of all life. In keeping with this, JMMB is committed to being actively concerned with the conservation, preservation and sustenance of the natural environment in order to ensure sustainable development.

The atmosphere that JMMB is in the process of developing, may be defined as an energy field where overlapping circles of creativity, passion, excitement, fun and laughter coexist in a dynamic process that ultimately leads to higher and higher levels of self-actualization; hence, the achievement of the organizational mission. This is a loving, caring and honest atmosphere where ideas are valued and shared openly; where a balance is created between aspirations and practical aspects of work and life, between actualization and potential. There are fears, no limitations, no boundaries. Team members are therefore expected and encouraged to be genuine, taking responsibility to express anything they feel, knowing that it is safe to do so. To ensure this, JMMB is committed to providing an open forum for ideas to be discussed, tested and implemented in order to help each other grow.

Team members, therefore, envision JMMB as the premier financial institution of its kind: successful, professionally managed with excellent team members giving exceptional client care and striving to achieve excellence in all areas of life. Team members see JMMB continuing to expand beyond Jamaica, retaining its spiritual characteristics and therefore, developing all the disciplines required for its continued success.



vision of
love

> IT'S ALL ABOUT YOU

JMMB's Financial Year 2014 / 2015 was a very exciting year for client intimacy with the rollout of our very innovative Group Client Experience Initiatives.

We designed our new Client Experience Model which expresses the principles and standards that define the desired client experience as our clients interact with us through our various business lines and service channels across the JMMB Group. The model is based on our client promise as articulated by our Group Client Value Proposition and supported by a set of Guiding Principles, wherein we seek to consistently improve on our processes, systems and service delivery to "Be in the Client's Best Interest, Make it Easy, Enjoyable and Empowering" for our clients.

By virtue of this new model, our clients should, over time, have an experience that enables them to get their business done at their fingertips. As a first step towards this, we upgraded our MoneyLine services to include several additional features, e.g. clients can now sell and purchase shares denominated in USD, listed on the Jamaica Stock Exchange, do transactions to and from Unit Trust accounts, view transaction history on the cash-secured loan accounts and change their display language to Spanish.

Our ideal branch experience is conceptualized to embody these guiding principles, as we seek to create a differentiating, integrated branch design – a "one-stop shop" for banking, insurance and investment solutions.

In developing our Group Client Partnership Culture Training in April 2014, our CHDT's goal was to train the entire team in the discipline of maintaining client-focused behaviours and language. Towards this end, training was completed in Jamaica and the Dominican Republic, and included our Group CEO and Group Executive Director – Culture & Human Development, who endorsed the methodology and concepts based on the

value they saw in the training.

A complete three- year programme was designed to ensure that the concepts are embedded over time. In the first year post training, team members in Jamaica and DR were engaged in utilizing the concepts learned by practising with each other, so that it would become natural to consistently create easy, enjoyable and empowering experiences in their client interactions.

Our Intercommercial Bank & TT Investments in Trinidad are also scheduled to be similarly trained in the next financial year.

CLIENT SATISFACTION & ENGAGEMENT RESULTS – JAMAICA

JMMB Jamaica's combined Satisfaction and Engagement Levels increased by almost 2% over 2013 to 90.5% in 2014. We maintained a steady upward trend from 2010 through to 2014. As the table below demonstrates, we continued to implement ways to improve on our service delivery, product offerings and business lines.



JMMB + OUR CLIENTS = A TRUE LOVE STORY



CLIENTS OF JMMB INVESTMENT SERVICES:

91.9%	stated that they feel that they are a part of the JMMB family
90.1%	believe that JMMB is the best financial institution in Jamaica
92.0%	believe that JMMB sets the standard by which all financial institutions should be judged
84%	feel that the Client Care at JMMB is better than that of any other financial institution
93%	stated that they actively encouraged others to become clients of JMMB
93%	are delighted with their experience with JMMB
91.6%	believe that their money is safe with JMMB
91.7%	feel that every client is valued at JMMB
94.8%	feel that JMMB is approachable
90.9%	believe that with JMMB, they will achieve their financial goals
93.3%	believe JMMB makes it easy to conduct business with them

CLIENTS OF JMMB INSURANCE BROKERS LIMITED (JMMBIB) BELIEVE THAT:

91.3%	their assets and properties are properly covered with JMMBIB
91.4%	that every client is valued
92.1%	that JMMBIB is approachable
88.3%	with JMMBIB, their insurance needs will be satisfied
89.9%	the insurance advice and direction provided by JMMBIB is superior to all other insurance institutions
91.4%	Client Care at JMMBIB is better than that of other insurance institutions
90.8%	JMMBIB is the best insurance brokerage
89.3%	feel like a part of the family of JMMB
92.6%	JMMBIB set the standard by which other insurance institutions should be judged
89.3%	actively encourage others to become clients of JMMBIB

JMMB MERCHANT BANK LIMITED

Our Merchant Bank continued to improve their Client Satisfaction & Engagement results year over year, increasing from an average of 88.2% in 2013 to 88.9% in 2014. Below are their scores for our last quarter of 2014.

CLIENT SATISFACTION & ENGAGEMENT RESULTS

Period	Client Satisfaction	Client Engagement	Overall
Q4, Jan-March 2014	90.6%	92.1%	91.4%

CLIENTS OF JMMB MERCHANT BANK (JMMBMB):

89.8%	stated that they feel that they are a part of the family at JMMBMB
80.0%	stated that the financial advice and direction provided by JMMBMB is superior to all other financial institutions
80.0%	believed that JMMBMB is the best financial institution for me (our business / institution)
91.4%	believed that JMMBMB sets the standard by which other financial institutions should be judged
90.0%	feel that Client Care at JMMBMB is better than that of other financial institutions
91.3%	actively encouraged others to become clients of JMMBMB
93.8%	feel that their money is safe with JMMBMB
91.3%	believed that every client is valued
98.2%	feel that JMMBMB makes it easy to do business with them
95.1%	that JMMBMB is approachable

JMMB MONEY TRANSFER LIMITED

In Q4 2014, a special survey was conducted for the first time, to measure the existing service standards of our Remittance Services, JMMB Money Transfer (formerly Capital & Credit Remittance Limited). We were very proud of the positive results received.

Reggae Money Express, with their score of 94.4% overall ranked #1, ahead of their closest competitor in overall Client Satisfaction & Engagement by 14.90%.

JMMB MONEY TRANSFER CLIENT SATISFACTION & ENGAGEMENT RESULTS

Period	Client Satisfaction	Client Engagement	Overall
Q4, Jan-March 2014	95.1%	93.7%	94.4%

CLIENT COMMENDATIONS

This is my testimony which is long overdue and I say this to my shame, but what better day than today, a day which you've designated to appreciate us your customers.

It is with great elation I use this medium to express my appreciation to your organization. Like a drop of water to a thirsty traveler, so was JMMB into my deflated investment life. Even as a professional I had yet to experience the joy of my savings working for me. I have always been one to save keenly only to let my funds lie there over the years with meagre interests. Until the day I was referred to Mr. Roger Williams, a gentleman, an encourager, intelligent, one who is always pleasant, an individual who is extremely honest, yes over the year that I've known him to be my financial advisor, my account has revolutionized!!! His impeccable knowledge of his work and the financial market has helped me earn exorbitant interest on specially the US bonds portfolio. His vision of the world being a global village has given me confidence in your company to continue my investments with you even across the seas.

JMMB, I thank you! Mr. Williams. keep up the awesome work you're doing. Indeed I can say you keep JMMB's heart healthy by making my business relevant to you.

*I remain your grateful client,
Dr .Doshia Auguste" - Jamaica*

I have been a JMMB client since November 2013, started with a small investment which has steadily been increasing trough time with the goal of acquiring my first apartment. I have been very satisfied with the JMMB service and have referred several family members and close friends.

Omar Jose Silié - The Dominican Republic

"Efficient, Professional and Customer Oriented are all words that describe the superior level of service offered at IBL.

As a new client, Cindy Rackal, my account officer at the Chaguanas Branch, and her team inspired my trust by being appreciative of, and attentive to all concerns related to the proper execution of my transaction. Cindy is always available to assist and she also takes the initiative to secure my best interest.

IBL has not only acted as my banker, but also my negotiator, my business partner and my advisor. Undoubtedly people centered, IBL is flexible and has tailored their product to suite my unique needs. Always projecting confidence and aptly applying their institutional intelligence, the IBL team offers a first class boutique banking service from the initial product consultation stage to the closing of a transaction. I firmly believe that conducting business with IBL is securing a financial partner for life."

Kimberly - Trinidad & Tobago



CLIENT CARE STAR PERFORMERS' RECOGNITION & REWARDS

As part of our continuing efforts to encourage the desired level of client care for our clients the Culture and Human Development Team (CHDT) expanded our recognition and rewards for team members who were singled out for commendations to include team members receiving internal "Big Ups". These team members were also included in our "Client Care Star Performers" Newsletter, along with those receiving praises from our external clients. Below is feedback received from one team members:

"Hi team, thanks for the acknowledgement and the gift, I will continue to serve both internal and external clients with excellence. The beautifully decorated gift is adding energy and a psychological boost to my being.

Have a fantastic day all! Love in abundance."

Roger Williams

NATIONAL CUSTOMER SERVICE WEEK

The CHDT led the celebration of this national event, the objective of which is for the company to actively demonstrate its acknowledgement of service provided by team members. In JMMB, we see the importance of recognizing the value our team brings to meeting/exceeding our clients' needs and expectations, as it could not happen without each and every one of us, working together individually and as one team...with one goal...with one love: "Love motivates the JMMB team to serve our clients who are a very special part of our family" (excerpt from The JMMB Group's Vision of Love). Team members also joined in the spirit of acknowledgements by reciprocating for service received from each other and the week was enjoyed by all, with everyone feeling valued.

We also used this period as an opportunity to reinforce daily, the key elements learnt in our client care training through team members' active participation in various activities throughout the week.





GOING GREEN

> JMMB GOING GREEN

The Facilities Department in support of the organization's "operational efficiency" mandate continues to promote energy conservation by ensuring high energy efficiency for all new equipment purchased. Based on our operations, cooling and lighting consumes the majority of our energy usage, hence, the Group Facilities Department implemented the following projects for the 2014- 2015 fiscal year:

- Installation of LED Tube Solutions – LEDs assist with the conservation of energy and reduce the amount of mercury released into the environment through the disposal of fluorescent tubes.
- Installation of Smart Power Strips and occupancy sensors - These strips reduce the power consumption by turning off the supply to equipment when not in use. With the inclusion of occupancy sensors, lighting and cooling are controlled by motion sensors for offices. Sensing physical presence, these devices will be turned on or off, hence only utilizing energy when required.
- Printer Rationalization – All printers were rationalized and green printers installed to manage waste paper printing.
- Inverter Type Air Conditioning – These units are ozone friendly while offering more comfort to the user.

The Facilities Unit has continued to contribute to the implementation of an Integrated Financial Services Model, providing services of investment, banking and insurance at each location, by spearheading the build out of the physical infrastructure for our integrated branches. To date our Knutsford Boulevard location in Jamaica has been completed, offering our clients, banking, investments and insurance brokerage services. The location has been retrofitted with energy conservation features.

During the year we embarked on a project to relocate and expand our nursery facilities. This facility was outfitted with energy efficient cooling and lighting as well as state of the art tools to facilitate the learning and development of our younger family members.

In the 2015 – 2016 financial year we will be implementing solar solutions for the JMMB Group as we continue the roll out of our integrated locations.



1. Kiva Alberga, of Michael Lake & Associates Limited, shares the earth-friendly vertical garden wall, in the newly renovated Knutsford Branch. It reflects JMMB's ongoing commitment to reflect harmony between indoor and outdoor spaces.

2. The newly renovated JMMB Group integrated branch located on Knutsford Boulevard is the first phase in the roll-out of JMMB's new branch experience model. The branch now boasts modern specially-designed 'cocoons' for client financial conversations, teller wickets, a distinctive water wall, a vertical garden feature, kiddies' corner and self-service stations.

3. Kerry-Ann Stimpson, JMMB Group Marketing Manager shares a demonstration of the self service tablet that allows clients to begin or complete their transactions electronically or via JMMB's online transaction system MoneyLine, making the process paperless.

“We stand for the greatness of our clients, our colleagues, our people and our nation. And we always will.”

➤
ACCOUNTABILITY
TRANSPARENCY
INTEGRITY

➤ CORPORATE GOVERNANCE

The JMMB Group is committed to ensuring that its policies and practices reflect a high standard of governance. The Board has adopted a comprehensive framework of Corporate Governance Guidelines, designed to balance performance and ensure conformance. This enables the Group to undertake, in an effective manner, the prudent risk-taking activities which are the basis of its business. Throughout the 2014 / 15 financial year, the Group’s governance arrangements were consistent with its Corporate Governance Policies.

THE BOARD OF DIRECTORS

Directors are accountable to the shareholders for the Group’s performance and governance. Management is responsible for implementing the Group’s strategy and objectives, and for carrying out the day-to-day management and control of the Group’s affairs.

The core principles on which the Group operates include the following:

- Conducting the business with integrity and fairness;
- Transparency in all transactions;
- Timely disclosures and decisions, complying with all the laws and regulations in the jurisdictions in which we operate;
- Accountability and responsibility towards the stakeholders; and
- Commitment to conducting business in an ethical and transparent manner.

The Board is committed to high standards of corporate governance and sees this as critical to strong business performance and investor confidence. JMMB’s corporate governance policies and procedures are built on a number of regulatory standards including the Bank of Jamaica, the Stock Exchanges in Jamaica, Trinidad and Tobago and Barbados, the Trinidad and Tobago Securities Exchange Commission, the Financial Services Commission of Barbados and Jamaica, the PSOJ Code on Governance and the Trinidad and Tobago Corporate Governance Code of 2013.

The JMMB Group is a member of the Caribbean Corporate Governance Institute and is also guided by its principles.

A copy of our Corporate Governance Policy can be viewed on our website at www.jmmb.com.

BOARD ROLE AND FUNCTION

The Board’s role and responsibilities are summarized below. They include:

- Oversight of the business and affairs of the Group by:
- Establishing with management and approving the strategies and financial objectives;

- Approving major corporate and capital initiatives, capital expenditure acquisitions and divestments in excess of limits delegated to management;
- Overseeing the establishment of appropriate risk management systems including defining the Group's risk appetite and establishing appropriate financial policies such as target capital and liquidity ratios;
- Monitoring the performance of management and the environment in which the Group operates;
- Approving of the Group's policies; and
- Ensuring adherence to regulations in the jurisdictions in which the group operates.

The Board carries out its role in accordance with the Group's values of love, integrity, honesty, openness care and accountability. It takes into account at all times the interests of the Group's clients, shareholders, team members and the broader community in which the Group operates.

The Board delegates to the Group CEO the responsibility to achieve the Group's objective of creating long term value for its shareholders in part through excelling at securing and enhancing the financial wellbeing of the clients, team members, shareholders, businesses and communities.

The CEO is responsible for the day to day management of the business and maintaining a comprehensive set of management delegations. These delegations cover commitments around project investment, operational expenditure and non-financial activities and processes. They are designed to accelerate decision-making and improve both efficiency and client service.

This report sets out our approach to governance and explains the structure of the Committee, how it operates and its accomplishments during the year under review.

RESPONSIBILITIES OF THE CORPORATE GOVERNANCE AND NOMINATIONS COMMITTEE

Below is an excerpt of the Committees' responsibilities:

- Ensure that the Board composition enables effective oversight of the Group.

- Assess routinely whether the Board and its committees are functioning effectively. The Board and its Committees, each, have provided for in their respective charters, that the committee members shall conduct annual self-evaluations.
- Lead the evaluation of the Directors and the Board and report the results of the evaluations to the Board.
- Monitor and conduct general matters related to Corporate Governance
- Establish policy frameworks and procedures to deal with matters of conflict of interest
- Review periodically the size and composition of the Board and make recommendations as appropriate

The Corporate Governance and Nominations Committee reviews the Group's corporate governance policies as needed but does so at least every 2 years. It considers the composition and effectiveness of the Board and also the Boards of the wholly owned subsidiaries. It also considers the effectiveness of the Board and ensures that the Board annually reviews its own performance, policies and practices. These reviews seek to identify where improvements can be made in the processes that are managed by the Board. They also assess the quality and effectiveness of information made available to directors.

The Committee met a total of four (4) times during the year to consider changes to the Group's Corporate Governance Policy, the makeup of the Board and committees, to discuss and agree on the proposed directors for the Intercommercial Bank Limited and its committees. The Committee also reviewed the composition of the subsidiary boards ensuring that there was an adequate mix of expertise based on the subsidiary's business model.

COMPOSITION OF THE BOARD

The composition of the Board is consistent with local statutory and regulatory requirements and best practices. All Directors are competent, knowledgeable and experienced professionals who provide strategic guidance and visionary leadership to the Group.

JMMB Group Limited has fourteen (14) directors of which

nine (9) are independent. The JMMB Group Board is comprised of the members of the JMMB Limited board and four (4) new members.

The quorum is formed by a minimum of four (4) members of which two (2) shall be independent directors.

The roles of Chairman and CEO are separate, in keeping with regulations and international best practices.

Directors

- An **Executive Director** is a director who is part of the current management team of the Group.
- A **Non Executive Director** is a director who is not part of the executive team but controls over 5% of the shares. A non-executive director does not engage in the day-to-day management of the company.
- An **Independent Director** is a director of a licensee or company who is not:

(a) an employee of the licensee or company;

(b) a person holding five per centum or more of the shares of the licensee or company or a connected person in relation to the licensee or company; or

(c) a party to a significant economic or other relationship with the licensee or company that, is inconsistent with that director being considered as independent of the licensee or company

BOARD COMMITTEES

The directors bring to the Group wide and diverse areas of expertise and experience, with knowledge in the areas of financial management, accounting, legal, information technology, strategy, human resources, risk management and corporate governance.

Each committee has at least three (3) Independent directors and is governed by a charter that outlines its roles and responsibilities. The chairman of each committee must be an Independent Director.

In accordance with established principles of corporate governance, and to allow for better oversight of specific risks and strategies, the Board delegates some of its responsibilities

to the following committees:

- Audit Committee
- Risk Committee
- Human Resources and Compensation Committee
- Finance Committee
- Nominations & Corporate Governance Committee
- Information System Committee

BOARD COMMITTEE COMPOSITION

Composition		Committees					
NAMES	POSITION	AUDIT	RISK	HR & COMPENSATION	IS COMMITTEE	FINANCE	CORPORATE GOVERNANCE & NOMINATIONS
Noel Lyon PhD	Non Executive			Member			Member
Keith Duncan	Executive						
Donna Duncan	Executive						
Archibald Campbell	Independent	Chairman	Chairman			Chairman	
Anne Crick PhD	Independent			Chairman			Chairman
V. Andrew Whyte	Independent	Member	Member			Member	Member
Wayne Sutherland	Non-Executive	Member			Chairman		Member
Dennis Harris	Independent	Member	Member	Member		Member	Member
Rodger Braham	Independent		Member				Member
Hugh Duncan	Executive						
Audrey Deer Williams	Independent						
Audrey Welds	Independent						
Reece Kong	Independent				Member		
Andrew Cocking	Independent						
Maurice Barnes (Rem)	Independent				Member		
Khary Sharpe (bank)	Independent				Member		

AUDIT COMMITTEE

The Audit Committee assists the Board in discharging its duties with regard to managing the Group’s operational risks, the maintenance of proper records and controls and in ensuring that the transactions of the Group are consistent with the policies and directives of the Board. The Audit Committee also ensures truth, fairness and compliance with statutory and other relevant requirements in any public statement of a financial nature made by the Group, whether or not such a statement is the subject of audit or any other professional scrutiny and opinion.

The Internal Audit and Compliance functionaries report to the Chairmen of the Audit Committees of JMMB Merchant Bank Limited and JMMB group, ensuring independence.

The Charter of the Audit Committee incorporates a number of policies and practices to ensure that the Committee is independent and effective. These include the following:

- The Audit Committee will comprise at least three (3) members.
- All members must be independent directors. At least one member should be a financial expert with relevant qualifications and experience as required by regulators.

- The Chairman of the Audit Committee cannot be the Chairman of the Board.
- Meetings are held quarterly and as required.
- The Committee has the power to call attendees as required, including open access to management, external audit and the right to seek explanations and additional information;
- Senior management and the internal and external auditor have free and unfettered access to the Audit Committee. The Group Compliance Manager has a direct reporting line to the Audit Chairman whilst maintaining a management reporting line to the Group Chief Executive Officer.

For the financial year ended March 31, 2015 there were four (4) meetings which discussed and reviewed the internal auditors’ work and, assessed the level of compliance with legal and regulatory requirements. No significant issues were identified and the Board is satisfied that the internal auditors have performed their duties in an objective and transparent manner. Recommendations for improvements and/or adjustments were made to management which were implemented or are in the process of being implemented.

FINANCE COMMITTEE

The Finance Committee assists the Board in fulfilling its statutory and fiduciary responsibilities relating to the financials of the Group . It provides an objective and independent review of the effectiveness of the external reporting of financial information and the internal control environment of the Group, as well as obtaining an understanding of the Group’s tax and accounting risks.

The main responsibilities of the Committee include overseeing;

- The accounting policies;
- Statutory and regulatory reporting requirements;
- Integrity of the Group’s financial statements;
- Performance of the external auditor;
- The timely and accurate publishing of financial reports to our shareholders and the public at large, in keeping with

the relevant regulations;

- Review and approval of budgets;
- Acquisition of assets not used in the normal course of operation; and
- Review of all financial information published for public use.

During the year four (4) meetings were convened to review the audited and the un-audited financial statements of the Company and the Group.

KPMG, Chartered Accountants were re-appointed as the external auditors at the last Annual General Meeting based on recommendation from the Board of Directors.

The Committee confirms that it is satisfied that the un-audited and audited financials are complete, consistent and conform to accounting principles.

RISK COMMITTEE

The Risk Committee oversees the Group’s risk management framework. This includes credit, market liquidity and funding as well as operational and reputational risks assumed by the Group in the course of carrying on its business. It reviews regular reports from management on the measurement of risk and the adequacy and effectiveness of the Group’s risk management and internal controls systems.

A key purpose is to help formulate the Group’s risk appetite for consideration by the Board, and agreeing and recommending a risk management framework to the Board that is consistent with the approved risk appetite.

This framework, which is designed to achieve portfolio outcomes consistent with the Group’s risk-return expectations, includes:

- The Group Risk Appetite Statement;
- High-level risk management policies for each of the risk areas it is responsible for overseeing; and
- A set of risk limits to manage exposures and risk concentrations.

The Committee monitors management's compliance with the Group risk management framework (including high-level policies and limits). It also makes recommendations to the Board on the key policies relating to capital (that underpin the Internal Capital Adequacy Assessment Process), liquidity, credit and funding and other material risks. These are overseen and reviewed by the Board on at least an annual basis. Significant transactions that could impact the overall financial strength and profile of the Group, are also discussed by the Committee. The Risk Committee met a total of eleven (11) times to review policies and deliberate on capital market transactions.

The Group has an integrated risk management framework in place to identify, assess, manage and report risks and risk adjusted returns on a consistent and reliable basis.

HUMAN RESOURCES AND COMPENSATION COMMITTEE

The Human Resources and Compensation Committee assists the Board of Directors in discharging its duties with regard to the Group's Human Resource Management, ensuring that activities are consistent with the policies and directives of the Board. The Committee provides oversight to the Group in formulating and reviewing compensation programmes for senior executive officers and board members, ensuring that compensation is consistent with the objectives, strategy, risks and values of the Group. For the financial year 2014 / 2015 there were four (4) meetings. The matters discussed were:

- Performance management of the Group
- Review and redesign of jobs across the Group to achieve greater efficiency
- Group structure
- Succession planning

The committee also meets on an adhoc basis to interview and assess candidates for senior positions in the Group.

INFORMATION SYSTEMS COMMITTEE

This Committee was established in April 2014. The responsibilities of the committee include appraising major Information Technology (IT) related projects and technology architecture decisions; ensuring that the Group's IT programs effectively support the Group's business objectives and strategies; providing guidance to the Group's senior IT management team; advising the Board of Directors on IT related matters and the effectiveness of the IT solutions currently employed across subsidiaries; reviewing and approving IT policies at least annually and review and recommending IT budget and strategy annually.

The Information Systems Committee consists of at least 3 independent directors from the Group and the subsidiaries boards.

The Committee met seven (7) times during the year to review and approve policies, assess the quality and effectiveness of the Group's IT security and review and approve the Groups' IT strategy and budget.

ATTENDANCE TO MEETINGS APRIL 2014 – MARCH 2015

Number of meetings held for the year		15	4	11	4	4	7	4
Names	Position	Board	Audit	Risk	HR & Compensation	Corporate Governance & Nominations * committees merged	Information Systems Committee	Finance
Noel Lyon PhD	Non-Executive	14			2	2		
Keith Duncan	Executive	13						
Donna Duncan-Scott	Executive	8						
Archibald Campbell	Independent	12	4	9				4
Anne Crick PhD	Independent	14			4	4		
V. Andrew Whyte	Independent	11	3	8		1		3
Wayne Sutherland	Non-Executive	14	3			3	7	
Dennis Harris	Independent	12	4	10	4	3		4
Rodger Braham	Independent	13		11		4		
Hugh Duncan	Executive	8						
Maurice Barnes	Independent *						7	
Khary Sharpe	Independent*						7	
Reece Kong	Independent*						6	

*Directors of JMMB Money Transfer Limited , JMMB Merchant Bank and JMMB Group Limited respectively.

With the restructuring of the Group, some committees are now Group Committees, while the banking subsidiaries maintain some committees as required by regulations and best practices.

JMMB Group Committees	JMMB Merchant Bank Limited Board Committees	Intercommercial Bank Limited Board Committees
Finance	Audit	Audit
Risk		Risk
Corporate Governance and Nominations	Credit	Credit
Human Resources and Compensation		
Information Systems		

DIRECTORS' COMPENSATION

The Group compensates its directors fairly and responsibly and aligns remuneration with the Group's strategy.

For the financial year, a total of JA\$107.47mn was paid for the Group of companies. This represents an increase of 75.15% or JA\$46.11mn. Though this may seem significant it is due largely to the impact of the full year of fees for IBL Directors and the acquisition of AIC Securities Limited which would result in additional meetings and Directors fees (both totaling JA\$20.35mn or 44% of the increase). The balance is as a result of additional board committee meetings in JMMB and JMMB DR Holdings and inflationary increases applied to existing board fees.

DIRECTORS' TRAINING

Directors participate in an induction program upon appointment and in a refresher programme on a regular basis. This program of continuing education ensures that the Board is kept up to date with developments in the industry both locally and globally. During the period directors were trained in the following areas:

- Legislative and Regulatory Framework for the financial sector
- Proceeds of Crime Act (POCA)
- Money Laundering and Red flags
- Duties of Directors of Financial Institutions
- Reporting Obligations
- Know Your Client / Know Your Employee
- Code of Ethics
- Foreign Account Tax Compliance Act (FATCA)
- The Banking Services Act
- Board Accountability, Disclosure, Audits and Evaluation
- Jamaica Stock Exchange Standards

CONTINUOUS DISCLOSURE

Matters which could be expected to have a material effect on the price or value of the Company's securities must be disclosed under the JSE, TTSE and BSE Rules which require that shareholders and the market are provided with full and timely information about the Group's activities in compliance with continuous disclosure requirements.

Continuous disclosure policies and processes are in place throughout the Group to ensure that all matters of a material nature which may potentially require disclosure are promptly reported to the regulators and the market .

The Company Secretary is responsible for all regulatory disclosures and for ensuring that such information is not released to any person until the information is released to the market.

SHAREHOLDER COMMUNICATION

The Group believes it is very important for its shareholders to make informed decisions about their investment in the Group. In order for the market to have an understanding of the business operations and performance, the Group aims to provide shareholders with access to quality information in the form of:

- The Group's website at www.jmmb.com
- Annual Reports
- Annual General Meeting
- Interim and audited financials which can be found on the websites of the stock exchanges and the JMMB Group

To make its general meetings more accessible to shareholders, the Group has commenced streaming its AGM via webcasts on the internet. The Group has taken these actions to encourage shareholder participation at general meetings.

The Group is committed to maintaining a level of disclosure that meets the highest of standards and provides all investors with timely and equal access to information

REGULATORY COMPLIANCE

The Group Compliance Manager provides a monthly regulatory report to the Board of Directors on all companies within the Group. It is the responsibility of the Compliance Department to ensure that the Group is in compliance with all laws and regulations, policies and procedures and standards of good governance in the various territories in which members of the Group operate. The Board is also satisfied that the compliance issues raised during the financial year have been properly addressed and resolved and that there are no material issues outstanding.

The Board understands the regulatory framework under which the Group operates and co-operates with Regulators to ensure that the financial system is safe and sound. The Board and Management therefore:

- Maintain an open communication with the regulators on all material issues pertaining to the Group;
- Comply promptly and fully with requests for information as required by law;
- Are aware of the findings of the on-site examination process and direct senior management to determine whether similar problems exist elsewhere in the Group and take corrective action; and
- Ensure that there is annual training of all team members and directors on the Proceeds of Crime Act, Code of Ethics, Know Your Client and Employees and any new regulations.

No significant issues were identified in regulatory audits conducted during the financial year and there has been no regulatory breach.

CODE OF ETHICS

The values of the Group are integrity, honesty, love, openness, care, accountability and service. The Board carries out its duties in accordance with these values and having appropriate regard to the interests of the Group's clients, shareholders, team members and the broader community in which the Group operates.

Policies and codes of conduct have been established by the Board and the Group Executive team to support the Group's objectives, vision and values.

The company has adopted the Code of Ethics and Standards of Professional Conduct of the Association for Investment Management and Research (AIMR®) and each new team member is exposed to this during orientation. There is also an annual refresher course for all team members and directors.

BOARD ASSESSMENT

During the last financial year each director participated in a self-evaluation as well as an evaluation of the entire board. The responses were analyzed and presented to the Chairman of the Corporate Governance Committee after which the data was shared and discussed with independent directors.

A Risk Appetite Survey (individual appetite and board as a group) was also commissioned. The results were discussed as a way of assisting the Board in understanding individual positions and in aligning those with the best interests of the group.

While the Group improves its corporate governance framework, the directors also recognize that JMMB must live up to the ideals of its founder and the expectations of shareholders. The review of corporate governance across the Group and feedback from board members is intended to ensure that we remain grounded in those ideals and expectations and receive early warning of any deviation.

GROUP STRUCTURE

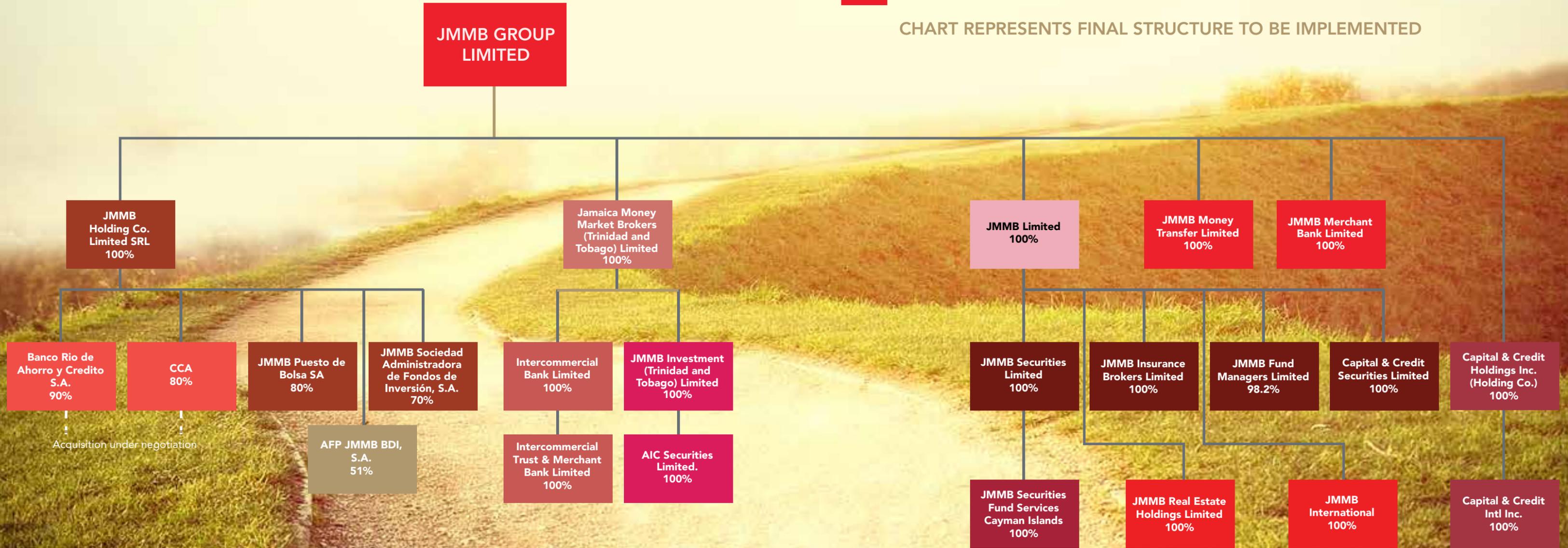
JMMB embarked on the restructuring of the Group to allow for consolidated supervision by the regulators and to maximize efficiencies where possible.

The final structure of the Group, on completion of the reorganization, is illustrated on the following pages.

Anne Crick Phd
Chairman Corporate Governance Committee

CORPORATE STRUCTURE

CHART REPRESENTS FINAL STRUCTURE TO BE IMPLEMENTED



JOURNEY TO THE TOP

> RISK MANAGEMENT

Major Risk Related Developments for FY 2014/15

The JMMB Group continuously monitors the ever-changing financial landscape in our operating environment, especially in the territories in which we have a presence: Jamaica, Trinidad and Tobago and the Dominican Republic. In order to proactively manage our risk exposures, we also examine other markets that can impact the outlook for these jurisdictions and we analyze how forecasts can affect these risk factors.

During the 2014/2015 financial year, there was reduced interest rate volatility in the Jamaican market stemming from improved investor sentiments. The IMF programme remained on course which augured well for the rate of depreciation in the local currency and overall market liquidity. This allowed us to maintain an appropriate net USD position over the year which was consistent with the anticipated pace of depreciation in the Jamaican dollar. Also, there was moderate market liquidity condition, an improvement over the prior two years.

There was increased regulatory risk arising from the changes to the laws governing the financial sector. This was particularly the case with the changes to the 'retail repo framework'. However, this was not operationalized within the financial year. While further implementation of the Basel framework could affect the industry, the JMMB Group has taken a pre-emptive stance in order to minimize the impact when new regulations become mandatory.

Trinidad and Tobago's economic and financial markets continued to display stability during the year. Interest rates remained at low levels and there continued to be excess liquidity in the market. These conditions were favorable for obtaining funding and interest rate volatility was subdued. Given the large international reserves that the country has, the movement in the exchange

rate of currency pairs fluctuated within a very narrow range. As we continue to expand our operations in this territory, we expect market conditions to remain relatively stable.

The benchmark interest rate was maintained over the 2014/2015 financial year in the Dominican Republic, unlike the prior financial year when there was an increase in the benchmark interest rate. Consequently, interest rate volatility was reduced and liquidity conditions were not as challenged. In this territory, the JMMB Group's risk management framework allowed us to navigate the markets very well as we maintained ample liquidity reserve and actively positioned our portfolio, thus reducing interest rate sensitivity over the year.

Continued advancement in market infrastructure, regulatory framework and investor demand for suitable financial products continue to facilitate JMMB's growth within the Dominican Republic, and provide opportunity for expansion in the financial solutions offered to clients. The regulators have begun the process of strengthening the risk management framework for the securities sector. This does not pose a regulatory risk for the JMMB Group as our robust risk management framework is implemented in this jurisdiction and is already one of the most rigorous in the industry.

Given the contagion effect that may result from mature markets, we also monitor the key blocs – United States, Eurozone and general emerging markets. Global financial markets remained relatively stable throughout the year, with continued growth in major markets. The JMMB Group continuously adjusts its financial profile and actively manages its risk exposures to position itself to take advantage of market opportunities. This ensures resilience even if significant adverse market conditions should develop in global markets or in any of the jurisdictions in which we operate.

SAFEGUARDING STAKEHOLDERS' INTEREST

The JMMB Group aims to sustain long-term value creation while simultaneously ensuring the continued financial soundness of the institution. Our unique value proposition remains at the

core of all the undertakings of the JMMB Group. Since 'we always keep the clients' best interest at heart', the JMMB Group takes proactive measures to safeguard the best interest of our stakeholders.

In fulfilling our vision of being an integrated financial services institution, we provide a wide suite of products and services for our clients. This is within the context of a robust risk management framework whereby the risk universe is accurately identified and material risk factors are then continuously measured, monitored, controlled and reported. Our limit and breach escalation system provides a mechanism for risk control, with limits based on the desired risk appetite for each major risk.

The overall risk appetite of the JMMB Group is contemplated when developing strategy, and further delineated in the strategies undertaken by each material subsidiary. The geographic diversification of the Group is inherently a risk mitigation tool. Moreover, our clearly articulated group structure provides clarity in our sight and monitoring of the risks arising from idiosyncracies in each jurisdiction as well as possible contagion effects that may arise. Across the Group, strategic initiatives are aligned with the risk parameters outlined by the Board of Directors. The Board as well as the senior management team ensure that a strong risk culture is maintained across the Group and risk management is effectively embedded in each desk in the organization. However, the day-to-day risk monitoring is primarily done by the Group Risk Department.

In the 2014/2015 financial year, the JMMB Group continued to improve the rigor of its risk management framework adopting a principle-based approach to creating policies. This allows for the seamless incorporation of all the Group's subsidiaries and expanding range of financial products. We continue to expand the scope of our enterprise risk management framework within which risk measures are integrated and linkages between risks are clearly identified. This approach allows Management to have a holistic view of the Group's risk exposures and ensures that they are adequately managed at all levels throughout the organization. We have also increased our focus on model validation ensuring that our methodologies remain effective and adequately measure the various risk factors.

RISK MANAGEMENT PRINCIPLES

The JMMB Group remains committed to the following core principles of its risk management framework:

- i. There is a vibrant risk management culture embedded in the Organization. The Board, Senior Management, Team Leaders and all team members throughout the entities in the Group are aligned on their roles and responsibilities in risk management.
- ii. Best practice risk management techniques are employed in managing the various risks to which the Group is exposed and adequate resources are allocated to the management of risk.
- iii. Risk undertaken is within our risk appetite framework and there are effective, dynamic and adaptive processes for the ongoing identification, measurement and management of material risk exposures.
- iv. The Enterprise is adequately capitalized to protect against the effects of major shocks to the Group as well as its subsidiaries on a stand-alone basis.
- v. Data quality is continuously monitored to ensure transparency, accuracy, completeness and relevance.
- vi. The operating environment for each jurisdiction is taken into consideration and risk management techniques are tailored to adequately support each territory.

RISK APPETITE

As the JMMB Group continues to build out its enterprise risk management framework, its risk appetite statement remains an integral part of this process. Our risk appetite statement framework broadly articulates the maximum amount of risk that the Group, and by extension, each subsidiary, is willing to undertake in order to achieve its business objectives. This incorporates, the operating environment for each subsidiary, business lines, operating constraints, as well as our core objective of increasing stakeholders' value to maintain the long term viability of the Group and its subsidiaries.

The risk appetite framework is approved by the JMMB Group's Board of Directors and contextualizes all our decision-making processes. It considers the material risk exposures of each subsidiary and the overall Group and there are policy limits in place for each major category of risk for both. These are documented in the respective risk policies and serve as the basis for risk monitoring and control. To ensure consistent alignment with the risk appetite statement, there is an escalation process whereby risk indicators that are in breach of stated limits are quickly and systematically returned to acceptable levels.

THE JMMB GROUP RISK POLICY OVERVIEW

The JMMB Group risk policy is the overarching document that formally outlines the risk management approach of the overall Group. There is significant merit to viewing and/or managing risk exposures from a global level. In this framework, the business takes account of the inter-relatedness of risk exposures and how the financial position and risk profile of the organization is either strengthened or weakened by this relatedness.

The policy explores and discusses all known risk exposures of the JMMB Group and further outlines a process for the determination and management of new risk exposures. This includes market risk, credit risk, liquidity risk and operational risk as well as the issues of risk aggregation, capital adequacy, and capital allocation. We ensure the long-term earnings stability of the Group by effectively implementing and managing this risk framework. The framework identifies the methodologies to be used to identify, quantify and manage risk from a best practice approach. It also outlines a company-wide risk management process that supports the effective identification and management of risk. The JMMB Group risk policy is the reference for our risk governance framework as it involves the processes for risk identification, risk assessment, risk response, control activities, communication and monitoring.

The JMMB Group risk policy provides the basis for articulating the policies for its subsidiaries as well as the policies for individual risk exposures.

STRONG RISK GOVERNANCE FRAMEWORK

How the JMMB Group ensures effectiveness of its risk management activities

THE JMMB GROUP RISK MANAGEMENT HIERARCHY



FIGURE 1

The strength of the JMMB Group's risk governance framework reflects the rigor of our processes and the competence of the delegated risk authorities. Our business operations are invariably exposed to the likelihood that outcomes will be worse than expected. This is especially the case as we expand our product offering across the Caribbean. Careful, comprehensive and continuous analyses of the risks involved are completed and material exposures identified for each subsidiary as well as the overall Group. Importantly, since we operate over multiple jurisdictions, the potential regulatory changes are pre-empted along the lines of international best practices and global guidelines (for example, the Basel frameworks).

Material risk exposures are assessed and include the interrelations and dependencies of these risk factors. Both quantitative and qualitative approaches are used, thus ensuring a balance between the outputs of our models and the extensive experience of our management team. Given the dynamic landscape in which the Group operates, these models and techniques are validated periodically to ensure that they are

efficient, that they adequately capture the risk factors, and that they are in alignment with best practices. Our data quality is also validated for accuracy and sufficiency and our risk officers engage in continuing risk education programs to maintain relevance in the field. These risk assessment processes and the management of material risk exposures are documented in our various risk policies.

The evaluation and management of risk exposures is within the context of our risk appetite framework which allows for transparency and efficiency. The practice of risk management continues to be deeply rooted in the culture of the JMMB Group as each team member is aware of his/her role and responsibility in the risk management process. The risk management hierarchy is shown in Figure 1. The Board of Directors of the JMMB Group determines the overall level of acceptable risk and active oversight is provided by the Board's Risk Committee that approves and monitors the supporting risk tolerances. The Committee provides strategic direction for the Group and ensures that the risk governance framework remains strong. The Committee is directly supported by other committees within the Group - the Risk Management, Credit Management and Asset Liability Management Committees. These committees convene regularly and more closely monitor the risk exposures of the Group and its subsidiaries against the limits set by the Board Risk Committee. Furthermore, to ensure that risk management is a part of the fabric of the Group, members of the Group Risk Department are included on committees that address the strategic objectives of the Group.

On an annual basis, the JMMB Group institutes an internal capital adequacy assessment process (ICAAP) which supports our strategies and provides a comprehensive view of the risk profile of the Group and its subsidiaries. It also provides the mechanism to adjust our business operations and strategies, given our internal and external environments.

Risk Measurement, Control and Reporting

The operations of the JMMB Group gives rise to the following material risk exposures: market risk, credit risk, liquidity risk and operational risk. As previously mentioned the control process is based on an internal limit system established with the approval of the Board of Directors. As such, there is an associated breach escalation process that ensures that exposures outside of set boundaries are returned to acceptable levels. Reports are generated periodically to inform decisions of senior management as well to ensure that we remain within the ambit of our risk appetite parameters.

MARKET RISK

Market risk is the likelihood that there is a decline in the value of assets due to adverse movements in market factors such as interest rates, foreign exchange rates and equity prices. In accordance with international best practices, the JMMB Group monitors both the market risk exposures within individual entities and consolidated exposures across the countries in which we operate. This is accomplished using the Value-at-Risk (VaR) framework, in conjunction with frequent scenario analysis and stress testing. The VaR metric, widely used by financial institutions globally, provides a single measure that captures the potential loss in the portfolio over a specific time-period and for a given probability. Currently, the JMMB Group computes a 10-day Monte Carlo VaR using a 99% confidence level, which may be adjusted to meet specific needs.

Though the usefulness of the VaR measure is accepted, one of its main drawbacks is that it does not approximate 'worst-case losses'. Therefore, the Group Risk Department also estimates expected shortfall (which is the expected loss given that the VaR is exceeded), augmented by stress tests and scenario analysis. Stress tests estimate unlikely yet plausible situations while the scenario analyses model historical financial crises, both locally and internationally. In each instance, we assess the capacity of the JMMB Group and its subsidiaries, as stand-alone entities, to withstand the occurrence of such low probability yet high impact events. This monitoring is done at least monthly and reports are presented to the Board.

Note 29 (d) provides details of VaR levels throughout the financial year.

INTEREST RATE RISK

Interest rate risk is the possibility that there will be adverse movement in the value of the fixed income investments arising from fluctuations in the level, slope and curvature of the yield curve. The JMMB Group has material exposure to interest rate risk, given the nature of its business. Interest rate risk is managed using duration analysis and estimation of repricing gaps. Duration reflects an instrument's sensitivity to interest rate risk while the repricing gap approximates the potential change in net interest income.

Stress testing considers plausible movement in interest rate and the impact on our current financial condition. We also employ reverse stress testing at times to determine the magnitude of adverse interest rate movements that would produce certain negative outcomes. Portfolio exposures are adjusted to take advantage of expected market conditions while limiting losses, should adverse conditions occur.

CURRENCY RISK

In alignment with our value proposition of providing simple, transparent solutions, the JMMB Group provides financial products in various currencies. This gives rise to currency risk which represents the possibility of adverse change in the exchange rate for any two currencies. Net positions for all the foreign currencies are monitored and hedged where necessary. There is also periodic stress testing of our currency risk based on plausible 'worst-case' adverse movement in currency pairs.

Note 29 (d) (i) provides additional details on our foreign currency exposures.

CREDIT AND COUNTERPARTY RISK

Credit risk is the potential for loss due to failure of a borrower to meet contractual obligation to repay a debt in accordance with the agreed terms. The JMMB Group is exposed to credit risk from its lending, investment and funding activities, where counterparties have contractual obligations to make payments or facilitate transactions. The Board indicates a tolerance level for credit risk, which is actively managed by the credit risk team.

For our lending activities which are concentrated in the merchant and commercial banks, limits are set on credit exposures by various classifications: economic sector, collateral type provided, loan purpose and customer profile. The JMMB Group applies quantitative techniques to the provision and pricing of credit facilities, thereby facilitating better business decisions. We, therefore, seek to ensure that the expected return on a credit facility is reflective of its level of risk, which allows the Group to better deploy its capital and provide fair pricing of loans to clients.

Using our internally developed models and fundamental research, we assign ratings and determine exposure limits to counterparties arising from investment and funding activities. This is augmented with the use of third-party research, where practicable. Material counterparties across the Group are actively monitored and their ratings updated based on changes to their financial outlook.

Counterparty credit assessments are conducted prior to material exposure to any entity, and quarterly reviews done for the most significant counterparties to ensure changes in the financial health of counterparties are detected early. The proactive nature of the monitoring of counterparties allows the JMMB Group to better identify any entities facing problems and adjust exposures and contractual terms to acceptable levels.

Given the expansion of the Group geographically, we continuously improve our counterparty risk management capabilities to better manage Group-wide exposures. This is done in the context of an expansion in the universe of products and services to corporate and institutional clients.

LIQUIDITY RISK

Liquidity risk is the possibility that a firm will be unable to meet financial obligations without suffering material losses. Liquidity risk refers to both funding liquidity risk - where a firm is unable to meet its financial obligations as they become due at an economic price, and asset liquidity risk - where a given security cannot be sold at its market value due to insufficient market depth. Liquidity risk is actively managed within the Group, with both short-term and long-term horizons, given that this risk is often a consequence of other types of risk as well as the

significant impact it can have on a financial institution. While there is an overall Group liquidity risk policy which specifies minimum liquidity requirements for the business as well as other guidelines and limits which provide stronger assurance that all obligations can be met even under very stressful market conditions, there are also entity-level liquidity policies. These are informed by the liquidity gaps, retention rates, business models and market conditions. Key liquidity metrics monitoring liquidity gaps, overall liquid assets to total assets and available liquid assets are regularly monitored to ensure that liquidity objectives are not compromised. Desired capital and liquidity levels are adjusted according to evaluations of market conditions and liquidity conditions.

OPERATIONAL RISK

Operational risk may be defined as "the risk of loss from inadequate or failed internal processes, people and systems or from external events." The JMMB Group has enhanced its operational risk framework which ensures that operational risk is limited to acceptable levels within the Group, even as the geographical presence and complexity of operations increase. Rigorous and appropriate control systems and processes, along with operational redundancies and business recovery plans, act to safeguard against significant disruptions in our operations. A rigorous compliance framework and independent internal audit programme ensure that controls are maintained and all material risks are properly identified and adequately managed.

OPTIMIZING RETURNS FOR ALL STAKEHOLDERS

The JMMB Group remains firmly committed to its strategy of business line and geographic diversification, which has created significant value to shareholders and improved the resilience of the Group. Diversification has also enhanced the product offering of the Group and its ability to meet the needs of its clients regionally. This is anchored on detailed capital planning which reflects the capacity of the Group to absorb unexpected losses from inherent risk exposures in these product offerings. There is also an external component where we ensure that we are within the limits set by the regulators. This offers comfort to our stakeholders.

The flexibility of the JMMB Group's risk management framework

allows it to adapt to support the vision of the Group by ensuring that business decisions adequately incorporate the inherent risks involved, so as to optimize stakeholders' value.



REPORTS



> GROUP CULTURE & HUMAN DEVELOPMENT

OUR FAMILY

Team members are the foundation on which JMMB rests. Guided by our Vision of Love (VOL), we are an open, friendly, joyful and focused family, where team members have a strong sense of partnership. Working as teams, we share ownership and responsibility to produce the desired results.

We strongly believe in our core values of love, openness, honesty, integrity and care - values that flow from one team member to another and extend to our family of clients. We have the unwaivering conviction that a fun atmosphere stimulates good working relationships and fosters a spirit of joy and creativity, which helps in the completion of every task we face.

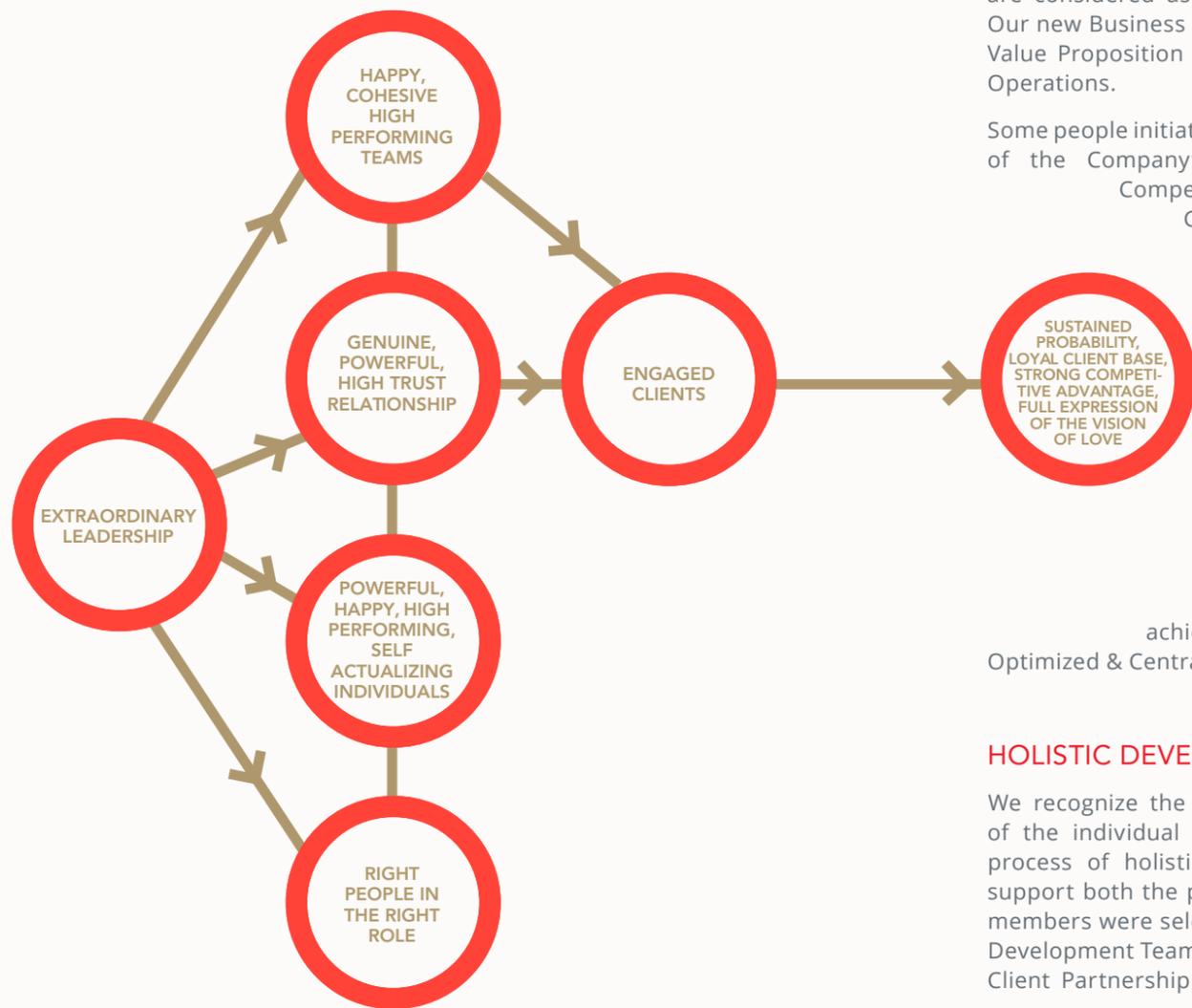
We also believe that it is our responsibility to cultivate enjoyable relationships with our team members, clients, shareholders, agents, suppliers and our wider 'community'. Therefore, as a Company, we are committed to providing our team members with a healthy and stimulating environment, and providing continuous opportunities for growth and learning.

PEOPLE & CULTURE STRATEGY

The Culture & Human Development Team is dedicated to creating an organizational environment in which team players can achieve their full potential. Two (2) key principles drove the People Strategy in 2014: Our Vision of Love and Our new Business Model.

Our People Strategy seeks to realize our Vision of Love and is guided by the principle that "this is a loving, caring, and

JMMB PEOPLE SUCCESS MODEL



honest atmosphere where ideas are valued and shared openly; where a balance is created between aspirations and practical aspects of work and life, between actualization and potential".

Our VOL further defines the elements of Our People Success Model and People Objectives: - Extraordinary People and Knowledge Leaders, High performing Team Members, Exceptional Expertise, Critical Tools, High Trust Relationships, an Ownership Mind-set and Increased Productivity and Efficiency. Our Team Member Satisfaction & Engagement Survey results are considered as inputs to developing the people strategy. Our new Business Model is focused on Enhanced Group Client Value Proposition and integrated, Optimised and Centralized Operations.

Some people initiatives undertaken to support the achievement of the Company's corporate strategy include: Coaching Competency Development, Operationalizing the Group Structure, Enhancing the Performance Management Processes, Financial Partnership Culture across the Group, Crucial Accountability, Internal Communication Framework, and the Client Value and Communication Programme. Additionally, our Group CHDT Framework & Rhythms was further developed by creating processes to accommodate and reward the championing of ideas that add value and reduce bureaucracy that waste or destroy value and develop approaches to People Management to achieve the New Business Model (Integrated, Optimized & Centralized).

HOLISTIC DEVELOPMENT

We recognize the importance of the complete development of the individual and seek to ensure a long-term ongoing process of holistic development. In-house programs that support both the professional and personal lives of our team members were selected and developed. The Culture & Human Development Team- JMMB Jamaica, launched its company wide Client Partnership Service Delivery Training in April 2014, in

Jamaica and The Dominican Republic. The training reinforced and introduced language and behaviours that leave positive lasting impressions in every interaction. The objective of this ongoing training is to equip our team with the skills to create delightfully memorable client experiences. Regardless of whom we are serving, in both our personal and professional lives, our clients should feel heard, respected, helped, valued, proactively updated and provided with solutions.

Our team members are enrolled in completing Individual development plans which allow for the opportunity to share their short, medium and long-term goals. This also provides a forum for team members to share their true passions. Those who have an entrepreneurial spirit and decide to pursue their true passions, are supported by their JMMB family.

RECRUITMENT OF TALENT

We use various recruitment tools that clearly identify the strengths of potential team members to ensure right role, right fit. This is important to JMMB as we want our team members to unleash their true potential. By doing so, they are able to accomplish their goals and contribute to the organization's continued growth and success.

JAMAICA



1. Mark Gilzean, JMMB team member, is equally captivated by the story, as the students of Clan Carty Primary during Read Across Jamaica Day.

2. Cheerful Givers: JMMB's Portmore team were among those who gave blood during the Blood Drive.

3. JMMB team member, Kenny Brown, shares her vision of her future at the recently held Vision Board workshop to provide team members with the opportunity for self-reflection in developing plans and goals for their future.

4. The JMMB Ladies and CEO Keith Duncan, are all smiles on Doubles Day.

5. Clover Anderson, JMMB team member, leads the praise and worship at our annual Thanksgiving Service

THE DOMINICAN REPUBLIC

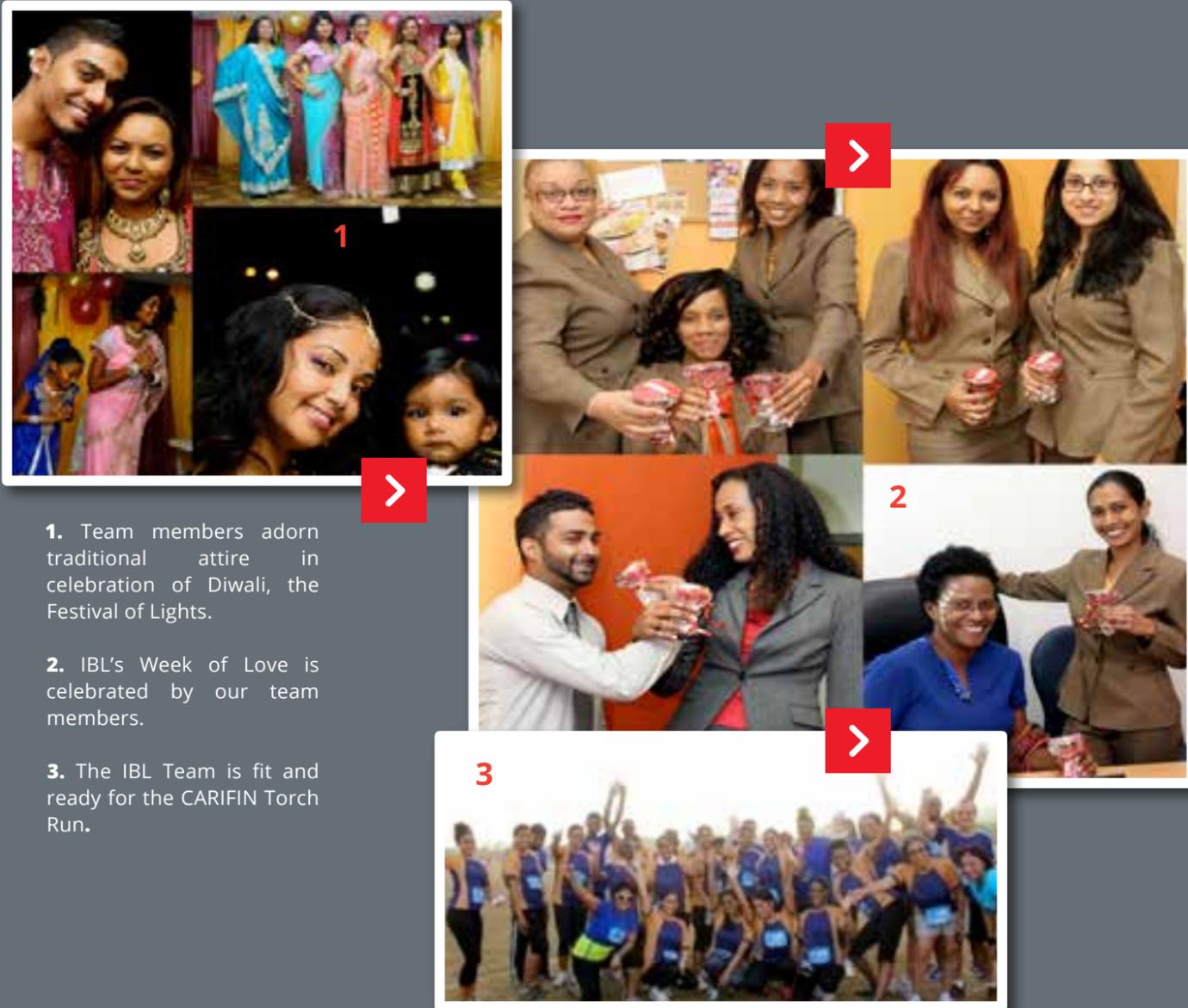


1. The JMMB DR team takes the client partnership challenge, consisting of 26 days that correspond to the 26 principles of staying "in the black" (i.e. the ideal state of peace and service).

2. The Culture & Human Development team of JMMB DR spreads the word that it takes teamwork to show that "We are Love!"

3. JMMB DR does it twice, on Doubles Day.

TRINIDAD & TOBAGO



1. Team members adorn traditional attire in celebration of Diwali, the Festival of Lights.

2. IBL's Week of Love is celebrated by our team members.

3. The IBL Team is fit and ready for the CARIFIN Torch Run.

WORK-LIFE BALANCE/ INTEGRATED LIFE

JMMB is committed to ensuring that team members are able to create work-life balance as an expression of our warm family-oriented culture. JMMB's nursery and after-care centre, located at the Group's head office, caters to the children of team members, from three months to 17 years old.

The nursery and after-school care facility, which has been in operation since 1996, was renovated in January 2015. The greatly enhanced kid-friendly space is outfitted with a stimulation and activity area, homework centre, breastfeeding room, expanded outdoor play area, learning space, and larger areas to facilitate children of varying ages. To cater to our team's physical wellness we provide onsite gym & running club facilities for in-town team



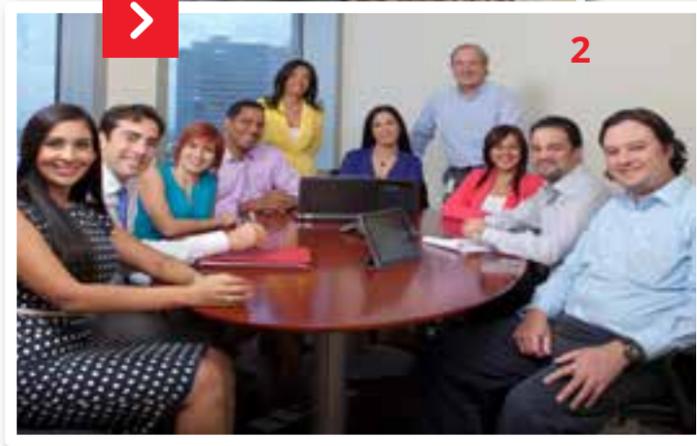
members. Out-of-town team members are provided with the option to access this service locally.

Seminars and workshops are also held periodically, addressing a range of topics related to parenting, relationships, career development and wellness. Free counselling services, catering to the team's mental wellness, are available through Family Life Ministries.



1. JMMB received 2nd Place, Silver Star Award, for being the Leader in HR Innovation at the Human Resource Management Association of Jamaica (HRMAJ) 2014 Annual Conference.

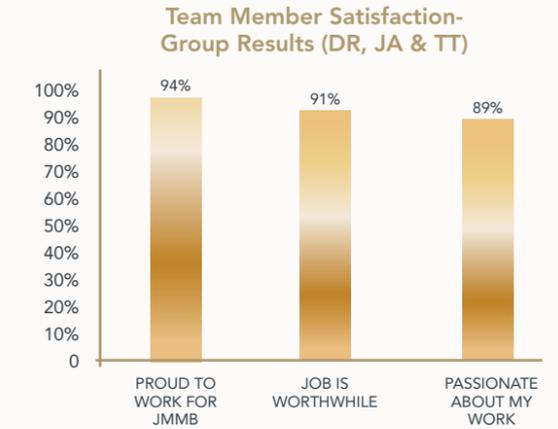
The Human Resource Management Association of Jamaica presents the HR Innovation Award to organizations that have implemented innovative programmes, practices or policies that have successfully managed their human resource, thereby achieving outstanding levels of productivity.



2. JMMB's Puesto del Bolsa team, received two awards in the 2014 /2015 financial year. They received an award from the Regulators - Superintendencia de Valores (SIV) for having the most retail clients transactions and for being ranked in the top 50 best places to work.

TEAM MEMBER SATISFACTION & ENGAGEMENT

To ensure we continuously build our team members' level of engagement and satisfaction, we conduct annual surveys in which JMMB team members are encouraged to take "responsibility to express anything they feel, knowing that it is safe to do so". This information is acted upon and the resulting solution, enhancement or innovation, is shared with the team for the benefit of all.



Kaydia Tomlinson
Client Experience Officer

"When I came to JMMB I could be myself. They are focused on what makes each individual in JMMB special and motivate them."

Patrick Beech
Network Officer

"Not just a company, it's a home away from home."

Tonianne Rankine
Client Care Supervisor

"They will have to kick me out to get me to leave. The love and support you get is completely different from what I previously experienced."

Kenney Brown
Express Transaction Officer

"When I came to JMMB they said I have a unique personality and I was in heaven."

> MARKETING

As a major financial group of companies, what makes the JMMB Group unique is its core value of love. It is that core value which provides the foundation on which marketing and branding activities are developed and implemented.

In line with its brand positioning statement, JMMB's corporate tagline of having "your best interest at heart", encapsulates what motivates JMMB to ensure that at all times, we are seeking to do what is in the best interest of our clients, our stakeholders and the Group.

Operating in three territories, the JMMB Group has established a country marketing unit in each territory (led by a country marketing head), whose marketing plans and activities are strategically-aligned with the positioning of the Group. As the JMMB brand is at different stages of awareness, in each country, the respective marketing units execute initiatives that are most relevant to their markets.

KEY REGIONAL ACTIVITY HIGHLIGHTS:

Activities that were executed in the region, over the course of the financial year, included:

1. Mass media advertising;
2. Financial education seminars and articles, in online and traditional media;
3. Public relations, through media releases and interviews;
4. Social media and internet marketing;
5. Brand-building through strategic sponsorships and promotions; and
6. Supporting the Group through various client and market research exercises, of both a strategic and operational nature.

In its relatively short existence, the JMMB brand enjoys significant awareness as a financial institution in Jamaica, and has seen a surge in awareness in the Dominican Republic and Trinidad and Tobago markets.

As the JMMB Group continues to build-out its integrated financial services model, one of the strategic marketing objectives for the near-term, is to support that implementation with value-added initiatives that continue to build awareness of the JMMB brand (as a regional financial services partner), within the context of our unique core value of love.



> INFORMATION TECHNOLOGY

Information Technology and innovation are embraced as key enablers of business performance and success at JMMB.

Our IT Team manages our infrastructure according to industry standards and best practices, employing highly available clustered solutions with automated failover capabilities for core systems. These systems are operated from Tier III Data Center facilities, minimizing the risk of system disruption and downtime.

The reliability and availability of the supporting IT platform is of paramount importance to our operations. This is achieved by having repeatable and well documented policies and processes for managing IT. These policies and processes have been adopted from COBIT and ITIL, the leading standards for IT. As our core systems and architecture evolve, our business continuity plans are also periodically reviewed and updated to ensure they remain current. Ongoing Data Center centralization initiatives have seen the closure of two Data Centers from recent acquisitions that resulted in better uptime and reduced outages for those systems.

We have continued the thrust to deploy and manage our platform to make interactions easy, reliable and secure across the Group; from anywhere, at any time. The technology platform provides “single entry”, ease of use, speed and

accuracy from the front, middle and back office / financial reporting and, importantly, meeting compliance, regulatory and audit standards.

The versatility and innovation of JMMB can be seen in the three faces of the system - Personal Desktop, Personal Mobile and Corporate - all providing the same functionality in different ways to meet specific client needs. The many features include a single view of your relationship across the Group, paying bills, buying currencies, equities, transfers and many other features that our customers enjoy. This is indicative of the future of innovation at JMMB.

Over the years, we have stayed ahead of the competition by being product innovators. This was demonstrated with our repurchase agreement system that has built in straight through processing/ STP and automated settlement of over two thousand “repos” based on compliance and regulation rules and, most recently, MoneyLine.

MoneyLine, our online transaction system, has been an symbol of the JMMB vision to place power with ease at the fingertips of clients. Several updates were made to the platform to provide clients with easy access to their investments at their convenience.

To meet the challenge of diverse application needs, we have deployed our Universal Client System (UCS) and Portfolio Manager System (PMS)

that allow us to leverage the strength of each unique application capability under unified service architecture. UCS and PMS can be viewed as a personal concierge that guides clients through to meet their financial goals. Clients therefore experience a holistic financial wellbeing service that is not disjointed because of diverse business lines.

JMMB has also deployed one of the leading banking platforms that has won many awards for functionality, security and strength (Gartner 2015 report). We have embarked on a program to upgrade and roll out this platform to the entire Group which will give JMMB greater operational efficiencies through standardization of processes and capabilities.

JMMB sees cyber security as a priority area which is directly linked to our continued growth and success and is fully committed to protecting our network from security breaches. Cybersecurity is seen throughout the Company as a business risk and not an information technology issue. JMMB has incorporated the management of this particular risk area into its enterprise risk management framework to ensure proper governance, oversight and monitoring.

With our businesses offering more

services online, cyber-attacks are projected to increase due to the growth of the digital economy. Therefore, as evidence of our commitment to cyber security, JMMB created the role of Group Information Security Manager in 2012 to address growing concerns around cyber security issues. The role is primarily responsible for spearheading the cyber security program of the Group of Companies by ensuring that controls are contemplated, implemented and reviewed to mitigate against breaches in the confidentiality, integrity and availability of client information.

As JMMB grows, we will continue to acquire applications that serve the variety of our business lines including banking, investments, remittance, insurance and pension services. We are committed to leveraging the latest technologies and software development for ongoing improvement in efficiency in our transaction processing, in enhancing client experience, and continuing product development. Customized software development is a major contributor to the fulfillment of the Company's mission. We take the position “build vs buy” software seriously and are specialists at doing both. When required, we will develop the right tools that are tailored for serving our clients.





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> Consolidated Profit and Loss Account

Year ended 31 March 2015

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2015 \$'000	2014 \$'000
Net Interest Income and Other Revenue			
Interest income	5	13,337,816	12,279,750
Interest expense	5	(8,076,145)	(7,017,265)
Net interest income		5,261,671	5,262,485
Fee and commission income		546,233	426,935
Gains on securities trading, net		3,420,817	2,325,348
Fees earned from managing funds on behalf of clients		154,806	129,551
Foreign exchange margins from cambio trading		936,134	587,931
Operating revenue net of interest expense		10,319,661	8,732,250
Other income			
Dividends		14,255	8,578
Other		25,801	-
Gain on sale of property, plant and equipment		22,018	1,000
		10,381,735	8,741,828
Operating Expenses			
Staff costs	6	(3,911,132)	(2,877,717)
Other expenses	8	(3,876,565)	(2,792,530)
		(7,787,697)	(5,670,247)
Operating Profit		2,594,038	3,071,581
Impairment loss on financial assets	7	(259,262)	(10,898)
Gain on acquisition of subsidiaries	27	19,263	361,657
Share of loss of associated companies (net of tax)		-	(24,289)
Profit before Taxation		2,354,039	3,398,051
Taxation	9	(306,757)	(335,992)
Profit for the Year		2,047,282	3,062,059
Attributable to:			
Equity holders of the parent		1,931,980	2,832,855
Non-controlling interest		115,302	229,204
		2,047,282	3,062,059
Earning per stock unit	10	\$1.18	\$1.74

> Consolidated Statement of Comprehensive Income

Year ended 31 March 2015

(expressed in Jamaican dollars unless otherwise indicated)

	2015 \$'000	2014 \$'000
Profit for the Year	2,047,282	3,062,059
Other comprehensive income		
Items that may be reclassified to profit or loss:		
Unrealised gains/(losses) on available-for-sale securities	1,619,731	(1,483,011)
Foreign exchange differences on translation of foreign subsidiaries	(94,847)	157,944
Total other comprehensive income/(loss), net of tax	1,524,884	(1,325,067)
Total comprehensive income for year, net of tax	3,572,166	1,736,992
Total comprehensive income attributable to:		
Equity holders of the parent	3,167,368	1,902,943
Non-controlling interest	404,798	(165,951)
	3,572,166	1,736,992

> Consolidated Statement of Financial Position

31 March 2015

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2015 \$'000	2014 \$'000
Assets			
Cash and cash equivalents	12	18,672,388	23,326,420
Interest receivable		2,561,634	2,619,996
Income tax recoverable		2,130,926	2,043,597
Loans and notes receivable	13	31,924,543	26,551,175
Other receivables	14	1,245,160	1,927,206
Securities purchased under agreements to resell	15	272,596	652,986
Investment securities	16	157,226,757	145,777,726
Investment properties	18	457,591	457,591
Intangible assets	19	1,060,277	1,005,314
Property, plant and equipment	20	2,033,688	1,841,497
Deferred income tax assets	21	38,933	150,384
Customers' liability acceptances, guarantees and letters of credit as per contra		90,809	352,227
		<u>217,715,302</u>	<u>206,706,119</u>

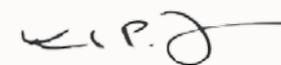
> Consolidated Statement of Financial Position (cont'd)

31 March 2015

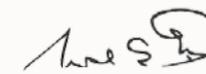
(expressed in Jamaican dollars unless otherwise indicated)

	Note	2015 \$'000	2014 \$'000
STOCKHOLDERS' EQUITY			
Share capital	22	1,850,279	1,850,279
Share premium		13,775	13,775
Retained earnings reserve	23	9,605,055	9,605,055
Investment revaluation reserve	23	2,037,032	636,397
Cumulative translation reserve	23	(109,014)	56,233
Retained earnings		<u>7,567,587</u>	<u>6,173,689</u>
		20,964,714	18,335,428
Non-controlling interest		<u>758,350</u>	<u>353,552</u>
		<u>21,723,064</u>	<u>18,688,980</u>
LIABILITIES			
Customer deposits		38,463,504	35,887,750
Due to other banks		435,032	283,386
Securities sold under agreements to repurchase	24	144,501,658	143,302,425
Notes payable	25	3,644,384	-
Redeemable preference shares	22	4,228,705	4,228,705
Deferred income tax liabilities	21	682,307	627,360
Interest payable		1,185,595	1,182,974
Income tax payable		397,758	83,671
Other payables		2,362,486	2,068,641
Liabilities under acceptances, guarantees and letters of credit as per contra		90,809	352,227
		<u>195,992,238</u>	<u>188,017,139</u>
		<u>217,715,302</u>	<u>206,706,119</u>

Approved for issue by the Board of Directors on 29 May 2015 and signed on its behalf by:



Keith Duncan
Group Chief Executive Officer



Dr. Noel Lyon
Group Chairman

> Consolidated Statement of Changes in Stockholders' Equity

Year ended 31 March 2015

(expressed in Jamaican dollars unless otherwise indicated)

Note	Share Capital \$'000	Share Premium \$'000	Retained Earnings Reserve \$'000	Investment Revaluation Reserve \$'000	Cumulative Translation Reserve \$'000	Retained Earnings \$'000	Total	Non-Controlling Interest \$'000	Total \$'000
							Attributable to Equity holders of The Parent \$'000		
Balances at 31 March 2013	1,850,279	13,775	9,109,778	1,724,253	(101,711)	4,096,999	16,693,373	519,503	17,212,876
Profit for the year	-	-	-	-	-	2,832,855	2,832,855	229,204	3,062,059
Other comprehensive income for 2014:									
Unrealised losses on available-for-sale securities	-	-	-	(1,087,856)	-	-	(1,087,856)	(395,155)	(1,483,011)
Foreign exchange differences on translation of foreign subsidiaries' balances	-	-	-	-	157,944	-	157,944	-	157,944
Total other comprehensive income for 2014	-	-	-	(1,087,856)	157,944	-	(929,912)	(395,155)	(1,325,067)
Total comprehensive income for 2014	-	-	-	(1,087,856)	157,944	2,832,855	1,902,943	(165,951)	1,736,992
Transfer from retained earnings	23	-	495,277	-	-	(495,277)	-	-	-
Transactions with owners of the company:									
Dividends	11	-	-	-	-	(260,888)	(260,888)	-	(260,888)
Balances at 31 March 2014	1,850,279	13,775	9,605,055	636,397	56,233	6,173,689	18,335,428	353,552	18,688,980
Profit for the year	-	-	-	-	-	1,931,980	1,931,980	115,302	2,047,282
Other comprehensive income for 2015:									
Unrealised gains on available-for-sale securities	-	-	-	1,400,635	-	-	1,400,635	219,096	1,619,731
Foreign exchange differences on translation of foreign subsidiaries' balances	-	-	-	-	(165,247)	-	(165,247)	70,400	(94,847)
Total other comprehensive income for 2015	-	-	-	1,400,635	(165,247)	-	1,235,388	289,496	1,524,884
Total comprehensive income for 2015	-	-	-	1,400,635	(165,247)	1,931,980	3,167,368	404,798	3,572,166
Transactions with owners of the company:									
Dividends	11	-	-	-	-	(538,082)	(538,082)	-	(538,082)
Balances at 31 March 2015	1,850,279	13,775	9,605,055	2,037,032	(109,014)	7,567,587	20,964,714	758,350	21,723,064

> Consolidated Statement of Cash Flows

Year ended 31 March 2015

(expressed in Jamaican dollars unless otherwise indicated)

Note	2015 \$'000	2014 \$'000
Cash Flows from Operating Activities		
Profit for the year	2,047,282	3,062,059
Adjustments for:		
Interest income	5 (13,337,816)	(12,279,750)
Interest expense	5 8,076,145	7,017,265
Income tax charge	9 306,757	335,992
Gain on acquisition of subsidiaries	27 (19,263)	(361,657)
Share of loss of associated company	-	24,289
Impairment of financial assets	7 259,262	10,898
Amortisation of intangible assets	19 156,700	97,684
Depreciation of property, plant and equipment	20 285,636	220,178
Gain on sale of property, plant and equipment	(22,018)	(1,000)
Unrealised loss on trading securities	56,057	57,196
Foreign currency translation gains	(273,162)	(476,668)
	(2,464,420)	(2,293,514)
Changes in operating assets and liabilities -		
Income tax recoverable, net	(87,306)	(184,375)
Notes receivable	(5,373,368)	(3,129,882)
Other receivables	715,831	(719,629)
Securities purchased under agreements to resell	477,789	3,237,927
Customer deposits	2,575,754	5,119,335
Due to other banks	151,646	(95,174)
Loan participation	-	(341,082)
Other payables	167,056	709,978
Securities sold under agreements to repurchase	1,199,233	7,395,114
	(2,637,785)	9,698,698
Interest received	13,396,178	11,880,618
Interest paid	(8,073,524)	(7,027,689)
Taxation paid	(208,696)	(33,534)
Net cash provided by operating activities (Page 138)	2,476,173	14,518,093

> Consolidated Statement of Cash Flows (cont'd)

Year ended 31 March 2015

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2015 \$'000	2014 \$'000
Cash Flows from Operating Activities (Page 137)		2,476,173	14,518,093
Cash Flows from Investing Activities			
Investment securities, net		(9,727,379)	(6,754,510)
Purchase of computer software	19	(167,380)	(73,064)
Purchase of property, plant and equipment	20	(465,017)	(311,589)
Proceeds from disposal of property, plant and equipment		39,242	10,076
Acquisition of subsidiaries, net of cash acquired	27	(12,191)	8,897,513
Net cash (used in)/provided by investing activities		(10,332,725)	1,768,426
Cash Flows from Financing Activities			
Proceeds from issue of redeemable preference shares		-	1,469,359
Notes payable		3,644,384	-
Dividends paid	11	(538,082)	(260,888)
Net cash provided by financing activities		3,106,302	1,208,471
Effect of exchange rate changes on cash and cash equivalents		96,218	-
Net (decrease)/increase in cash and cash equivalents		(4,654,032)	17,494,990
Cash and cash equivalents at beginning of year		23,326,420	5,831,430
CASH AND CASH EQUIVALENTS AT END OF YEAR	12	18,672,388	23,326,420

> Profit and Loss Account

Year ended 31 March 2015

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2014 \$'000	2013 \$'000
Net Interest Income and Other Revenue			
Interest income from securities	5	8,221,960	7,670,214
Interest expense	5	(5,701,834)	(4,737,318)
Net interest income		2,520,126	2,932,896
Fee and commission income		95,305	82,351
Gains on securities trading, net		2,329,085	1,049,282
Fees earned on managing funds on behalf of clients		14,649	19,829
Foreign exchange margins from cambio trading		246,299	285,766
Operating revenue net of interest expense		5,205,464	4,370,124
Other income			
Dividends		4,287	2,873
Other		24,006	45,300
Gain on sale of property plant and equipment		23,651	1,000
		5,257,408	4,419,297
Operating Expenses			
Staff costs	6	(2,004,912)	(1,671,833)
Other expenses	8	(1,846,635)	(1,598,094)
		(3,851,547)	(3,269,927)
Operating Profit		1,405,861	1,149,370
Impairment loss on financial assets	7	(218,355)	-
Profit before Taxation		1,187,506	1,149,370
Taxation	9	(245,982)	(199,238)
Profit for the Year		941,524	950,132

> Statement of Comprehensive Income

Year ended 31 March 2015

(expressed in Jamaican dollars unless otherwise indicated)

	2015 \$'000	2014 \$'000
Profit for the Year	941,524	950,132
Other comprehensive income		
Items that may be reclassified to profit or loss:		
Unrealised gains/(losses) on available-for-sale securities	372,648	(161,733)
Total comprehensive income for year, net of tax	1,314,172	788,399

> Statement of Financial Position

Year ended 31 March 2015

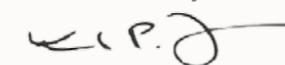
(expressed in Jamaican dollars unless otherwise indicated)

	Note	2015 \$'000	2014 \$'000
ASSETS			
Cash and cash equivalents	12	4,801,893	7,463,523
Interest receivable		1,643,222	1,606,665
Income tax recoverable		1,770,654	1,694,249
Loans and notes receivable	13	4,406,134	3,468,014
Other receivables	14	2,123,701	2,105,891
Due from fellow subsidiary	26	1,594,798	-
Securities purchased under agreements to resell	15	13,294,476	13,522,982
Investment securities	16	106,000,797	97,776,242
Interest in subsidiaries	17	7,819,873	7,777,963
Intangible assets	19	248,676	148,360
Property, plant and equipment	20	1,287,613	1,186,645
		144,991,837	136,750,534
STOCKHOLDERS' EQUITY			
Share capital	22	1,850,279	1,850,279
Share premium		13,775	13,775
Retained earnings		3,135,431	2,731,989
Retained earnings reserve	23	9,605,055	9,605,055
Investment revaluation reserve		296,856	(75,792)
		14,901,396	14,125,306
LIABILITIES			
Securities sold under agreements to repurchase	24	119,529,981	116,464,345
Notes payable	25	2,370,864	75,464
Redeemable preference shares	22	4,228,705	4,228,705
Deferred income tax liabilities	21	663,212	593,093
Interest payable		919,154	853,542
Income tax payable		359,376	40,958
Other payables		424,351	369,121
Due to fellow subsidiary	26	1,594,798	-
		130,090,441	122,625,228
		144,991,837	136,750,534

Approved for issue by the Board of Directors on 29 May 2015 and signed on its behalf by:



Dr. Noel Lyon
Group Chairman



Keith Duncan
Group Chief Executive Officer

> Statement of Changes in Stockholders' Equity

Year ended 31 March 2015

(expressed in Jamaican dollars unless otherwise indicated)

Note	Share	Share	Investment	Retained	Retained	Total
	Capital	Premium	Revaluation	Earnings	Earnings	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balances at 31 March 2013	1,850,279	13,775	85,941	9,109,778	2,538,022	13,597,795
Profit for year	-	-	-	-	950,132	950,132
Other comprehensive income for 2014:						
Unrealised losses on available-for-sale securities	-	-	(161,733)	-	-	(161,733)
Total comprehensive income for 2014	-	-	(161,733)	-	950,132	788,399
Transfer from retained earnings	-	-	-	495,277	(495,277)	-
Transactions with owners of the company						
Dividends	11	-	-	-	(260,888)	(260,888)
Balances at 31 March 2014	1,850,279	13,775	(75,792)	9,605,055	2,731,989	14,125,306
Profit for year	-	-	-	-	941,524	941,524
Other comprehensive income for 2015:						
Unrealised gains on available-for-sale securities	-	-	372,648	-	-	372,648
Total comprehensive income for 2015	-	-	372,648	-	941,524	1,314,172
Transactions with owners of the company						
Dividends	11	-	-	-	(538,082)	(538,082)
Balances at 31 March 2015	1,850,279	13,775	296,856	9,605,055	3,135,431	14,901,396

> Statement of Cash Flows

Year ended 31 March 2015

(expressed in Jamaican dollars unless otherwise indicated)

Note	2015 \$'000	2014 \$'000
Cash Flows from Operating Activities		
Profit for the year	941,524	950,132
Adjustments for:		
Interest income	5	(8,221,960)
Interest expense	5	5,701,834
Income tax charge	9	245,982
Impairment loss on financial assets	7	218,355
Amortisation of intangible assets	19	30,800
Depreciation of property, plant and equipment	20	136,364
Gains on sale of property, plant and equipment		(23,651)
Unrealised loss on trading securities		60,734
Foreign currency translation gains		(154,135)
	(1,064,153)	(1,637,095)
Changes in operating assets and liabilities -		
Income tax recoverable, net	(76,405)	(221,041)
Notes receivable	(938,120)	(707,639)
Other receivables	(17,810)	(523,168)
Other payables	55,230	20,018
Securities purchased under agreements to resell	228,506	3,674,658
Securities sold under agreements to repurchase	3,065,636	4,875,600
	1,252,884	5,481,333
Interest received	8,185,403	7,345,382
Interest paid	(5,636,222)	(4,853,104)
Taxation paid	(43,741)	-
Net cash provided by operating activities (Page 144)	3,758,324	7,973,611

> Statement of Cash Flows (cont'd)

Year ended 31 March 2015

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2015 \$'000	2014 \$'000
Cash Flows from Operating Activities (Page 143)		3,758,324	7,973,611
Cash Flows from Investing Activities			
Investment securities, net		(7,886,783)	(3,353,139)
Interest in subsidiary		(41,910)	(1,577,014)
Purchase of computer software	19	(135,687)	(71,678)
Purchase of property, plant and equipment	20	(244,107)	(189,277)
Proceeds from disposal of property, plant and equipment		34,997	3,505
Net cash used in investing activities		(8,273,490)	(5,187,603)
Cash Flows from Financing Activities			
Proceeds from the issue of redeemable preference shares		-	1,469,359
Notes payable		2,295,400	(305,406)
Dividends paid	11	(538,082)	(260,888)
Net cash provided by financing activities		1,757,318	903,065
Effect of exchange rate changes on cash and cash equivalents		96,218	-
Net (decrease)/increase in cash and cash equivalents		(2,661,630)	3,689,073
Cash and cash equivalents at beginning of year		7,463,523	3,774,450
CASH AND CASH EQUIVALENTS AT END OF YEAR	12	4,801,893	7,463,523

> Notes to the Financial Statements

31 March 2015

(expressed in Jamaican dollars unless otherwise indicated)

1. Identification

Jamaica Money Market Brokers Limited (the "company") is incorporated and domiciled in Jamaica. The registered office of the company is located at 6 Haughton Terrace, Kingston 10, Jamaica. The principal activities of the Company are securities brokering, securities trading, merchant and commercial banking, dealing in money market instruments, operating a foreign exchange cambio and managing funds on behalf of clients

The company is exempt from the provisions of the Money Lending Act.

It has eight subsidiaries incorporated in Jamaica, and there are other subsidiaries incorporated outside of Jamaica. The operating subsidiaries are listed below. The company and its subsidiaries are collectively referred to as "Group".

Name of Subsidiary	% Shareholding Held by Parent/Subsidiary		Country of Incorporation	Principal Activities
JMMB Securities Limited	Parent	Subsidiary	Jamaica	Stock brokering
JMMB Insurance Brokers Limited	100		Jamaica	Insurance brokering
Jamaica Money Market Brokers (Trinidad and Tobago) Limited and its subsidiaries	100		Trinidad and Tobago	Investment holding company
JMMB Investments (Trinidad and Tobago) Limited		100	Trinidad and Tobago	Securities brokering
AIC Securities Limited		100	Trinidad and Tobago	Stock brokering
Intercommercial Bank Limited and its subsidiary,		100	Trinidad and Tobago	Commercial Banking
Intercommercial Trust and Merchant Bank Limited		100	Trinidad and Tobago	Merchant Banking
JMMB International Limited	100		St. Lucia	Investment holding and management
JMMB Holdings, SRL and its subsidiary		100	Dominican Republic	Investment holding and management
JMMB Puesto de Bolsa, S.A.		80	Dominican Republic	Securities brokering
JMMB Sociedad Administradora De Fondos De Inversion, S.A.		70	Dominican Republic	Mutual fund administration
JMMB Real Estate Holdings Limited	100		Jamaica	Securities brokering Real estate holding
Capital & Credit Financial Group Limited and its subsidiaries	100		Jamaica	Investment holding
JMMB Money Transfer Limited, formerly Capital & Credit Remittance Limited		100	Jamaica	Funds transfer
Capital & Credit Holdings Inc.		100	United States of America	Investment holding
JMMB Merchant Bank Limited		100	Jamaica	Merchant Banking
Capital & Credit Securities Limited	100		Jamaica	Investment holding
JMMB Fund Managers Limited	100		Jamaica	Fund management

> Notes to the Financial Statements

31 March 2015

(expressed in Jamaican dollars unless otherwise indicated)

1. Identification (Continued)

On 30 April 2014, JMMB Investments (Trinidad and Tobago) Limited, a 100% owned subsidiary, acquired 100% equity of AIC Securities Limited for TT\$5.21 million (J\$89.98 million) (Note 27).

2. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the relevant provisions of the Jamaican Companies Act. These consolidated financial statements have been prepared on the historical cost basis except for the measurement of available-for-sale financial assets and financial assets at fair value through profit or loss, as well as investment properties at fair value.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

New, revised and amended standards and interpretations that became effective during the year that are relevant to the Group's operations:

Certain new, revised and amended standards and interpretations came into effect during the current financial year. The Group has adopted those which are relevant to its operations, but their adoption did not result in any changes to amounts recognised or disclosed in these financial statements.

New, revised and amended standards and interpretations not yet effective:

Certain new, revised and amended standards and interpretations have been issued which are not yet effective for the current year and which the Group has not early adopted. Management considers that the following may be relevant to the Group's operations when they become effective:

- (i) IFRS 9, Financial Instruments, which is effective for annual reporting periods beginning on or after January 1, 2018, replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial assets and liabilities, including a new expected credit loss model for calculating impairment of financial assets and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. Although the permissible measurement bases for financial assets – amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL) - are similar to IAS 39, the criteria for classification into the appropriate measurement category are significantly different. IFRS 9 also replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' model, which means that a loss event will no longer need to occur before an impairment allowance is recognized.

> Notes to the Financial Statements

31 March 2015

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

New, revised and amended standards and interpretations not yet effective (continued):

- (ii) IFRS 15, Revenue From Contracts With Customers, effective for annual reporting periods beginning on or after January 1, 2017, replaces IAS 11, Construction Contracts, IAS 18, Revenue, IFRIC 13, Customer Loyalty Programmes, IFRIC 15, Agreements for the Construction of Real Estate, IFRIC 18, Transfer of Assets from Customers, and SIC-31, Revenue – Barter Transactions Involving Advertising Services. It does not apply to insurance contracts, financial instruments or lease contracts, which fall in the scope of other IFRSs. It also does not apply if two companies in the same line of business exchange non-monetary assets to facilitate sales to other parties.

The Group will apply a five-step model to determine when to recognise revenue, and at what amount. The model specifies that revenue should be recognised when (or as) an entity transfers control of goods or services to a customer at the amount to which the entity expects to be entitled. Depending on whether certain criteria are met, revenue is recognised at a point in time, when control of goods or services is transferred to the customer; or over time, in a manner that best reflects the entity's performance. There will be new qualitative and quantitative disclosure requirements to describe the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers.

- (iii) IAS 16, Property, Plant and Equipment, and IAS 38, Intangible Assets, have been amended by the issue of "Amendments to IAS 16 and IAS 38, Clarification of Acceptable Methods of Depreciation and Amortisation", which are effective for annual reporting periods beginning on or after January 1, 2016, as follows:
 - The amendment to IAS 16 explicitly states that revenue-based methods of depreciation cannot be used. This is because such methods reflect factors other than the consumption of economic benefits embodied in the assets.
 - The amendment to IAS 38 introduces a rebuttable presumption that the use of revenue-based amortisation methods is inappropriate for intangible assets.
- (iv) Improvements to IFRS, 2010-2012 and 2011-2013 Cycles, contain amendments to certain standards and interpretations and are effective for annual reporting periods beginning on or after July 1, 2014. The main amendments applicable to the Group are as follows:
 - IFRS 3, Business Combinations, has been amended to clarify the classification and measurement of contingent consideration in a business combination. When contingent consideration is a financial instrument, its classification as a liability or equity is determined by reference to IAS 32, Financial Instruments: Presentation, rather than to any other IFRSs. Contingent consideration that is classified as an asset or a liability is always subsequently measured at fair value, with changes in fair value recognized in profit or loss. Consequential amendments are also made to IAS 39, Financial Instruments: Recognition and Measurement and IFRS 9, Financial Instruments to prohibit contingent consideration from subsequently being measured at amortised cost. In addition, IAS 37, Provisions, Contingent Liabilities and Contingent Assets, has been amended to exclude provisions related to contingent consideration of an acquirer. IFRS 3, has also been amended to clarify that the standard does not apply to the accounting for the formation of all types of joint arrangements in IFRS 11, Joint Arrangements - i.e. including joint operations in the financial statements of the joint arrangements themselves.

> Notes to the Financial Statements

31 March 2015

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

New, revised and amended standards and interpretations not yet effective (continued):

(iv) Improvements to IFRS 2010-2012 and 2011-2013 cycles (continued)

- IFRS 2, Share-based Payments, has been amended to clarify the definition of 'vesting condition' by separately defining 'performance condition' and 'service condition'. The amendment also clarifies how to distinguish between a market and a non-market performance condition and the basis on which a performance condition can be differentiated from a non-vesting condition.
- IFRS 13, Fair Value Measurement, has been amended to clarify that issuing of the standard and consequential amendments to IAS 39 and IFRS 9 did not intend to prevent entities from measuring short-term receivables and payables that have no stated interest rate at their invoiced amounts without discounting, if the effect of not discounting is immaterial.
- IAS 16, Property, Plant and Equipment, and IAS 38, Intangible Assets, have been amended to clarify that, at the date of revaluation:
 - the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset and the accumulated depreciation (amortization) is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking account of accumulated impairment losses or;
 - the accumulated depreciation (amortization) is eliminated against the gross carrying amount of the asset.
- IAS 24, Related Party Disclosures, has been amended to extend the definition of 'related party' to include a management entity that provides key management personnel services to the reporting entity, either directly or through a management entity. For related party transactions that arise when key management personnel services are provided to a reporting entity, the reporting entity is required to separately disclose the amounts that it has recognized as an expense for those services that are provided by a management entity; however, it is not required to 'look through' the management entity and disclose compensation paid by the management entity to the individuals providing the key management personnel services.
- IAS 40, Investment Property, has been amended to clarify that an entity should assess whether an acquired property is an investment property under IAS 40 and perform a separate assessment under IFRS 3 to determine whether the acquisition of the investment property constitutes a business combination.

(v) Improvements to IFRS, 2012-2014 Cycle, contain amendments to certain standards and interpretations and are effective for annual reporting periods beginning on or after January 1, 2016. The main amendments applicable to the branch are as follows:

- IFRS 7, Financial Instruments: Disclosures, has been amended to clarify when servicing arrangements are in the scope of its disclosure requirements on continuing involvement in transferred assets in cases when they are derecognized in their

> Notes to the Financial Statements

31 March 2015

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

New, revised and amended standards and interpretations not yet effective (continued):

- (v) entirety. A servicer is deemed to have continuing involvement if it has an interest in the future performance of the transferred asset -e.g. if the servicing fee is dependent on the amount or timing of the cash flows collected from the transferred financial asset; however, the collection and remittance of cash flows from the transferred asset to the transferee is not, in itself, sufficient to be considered 'continuing.
- (vi) IAS 1 Presentation of Financial Statements, effective for annual reporting periods beginning on or after January 1, 2016, has been amended to clarify or state the following:
 - specific single disclosures that are not material do not have to be presented even if they are minimum requirements of a standard;
 - the order of notes to the financial statements is not prescribed;
 - line items on the statement of financial position and the statement of profit or loss and other comprehensive income (OCI) should be disaggregated if this provides helpful information to users. Line items can be aggregated if they are not material;
 - specific criteria are provided for presenting subtotals on the statement of financial position and in the statement of profit or loss and OCI, with additional reconciliation requirements for the statement of profit or loss and OCI; and
 - the presentation in the statement of OCI of items of OCI arising from joint ventures and associates accounted for using the equity method follows the IAS 1 approach of splitting items that may, or that will never, be reclassified to profit or loss.
- (vii) IAS 27, Separate Financial Statements, has been amended, with the issue of "Equity Method in Separate Financial Statements", amended effective for annual reporting periods beginning on or after January 1, 2016, to allow the use of the equity method in separate financial statements, and applies to the accounting for subsidiaries, associates, and joint ventures.
- (viii) IFRS 10, Consolidated Financial Statements, and IAS 28, Investments in Associates and Joint Ventures, have been amended, in respect of Sale or Contribution of Assets between an Investor and its Associate or Joint Venture, effective for annual reporting periods beginning on or after January 1, 2016. The amendments require that when a parent loses control of a subsidiary in a transaction with an associate or joint venture, the full gain be recognized when the assets transferred meet the definition of a 'business' under IFRS 3, Business Combinations.

The Group is assessing the impact, if any, that these new, revised and amended standards and interpretations will, when they become effective, have on its future financial statements.

> Notes to the Financial Statements

31 March 2015

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(b) Basis of consolidation

The consolidated financial statements include the assets, liabilities and results of operations of the Company and its subsidiaries presented as a single economic entity.

Subsidiaries are all entities over which the Company has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights of an investee, there is exposure to variability of returns and the company can use its power to influence the returns. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are no longer consolidated from the date that control ceases.

Intra-group transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred. Accounting policies of subsidiaries are consistent with those of the Group.

The Group uses the acquisition method of accounting for business combinations. The cost of acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the consolidated statement of revenue and expenses.

(i) Non-controlling interest

Non-controlling interest (NCI) are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date.

(ii) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interest (NCI) and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value.

(iii) Associates

Associates are all entities over which the Group has significant influence, but not control, over the financial and operating policies. The consolidated financial statements include the Group's share of the total recognised gains and losses of associates on the equity basis, from the date that significant influence commences until the date that influence ceases. When the Group's share of losses in an associate exceeds its interest in the associate, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of an associate.

> Notes to the Financial Statements

31 March 2015

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(c) Financial instruments

General

A financial instrument is any contract that gives rise to a financial asset of one enterprise and financial liability or equity instrument of another enterprise.

(i) Classification of financial instruments

Financial instruments are classified, recognised and measured in accordance with the substance of the terms of the contracts as set out herein.

Management determines the appropriate classification of investments at the time of purchase, taking account of the purpose for which the investments were purchased. The Group classifies non-derivative financial assets into the following categories:

Loans and receivables: This comprises securities acquired, loans granted with fixed or determinable payments and which are not quoted in an active market.

Held-to-maturity: This comprises securities with fixed or determinable payments and fixed maturities that the Group has the positive intent and ability to hold to maturity.

Fair value through profit or loss: This comprises securities that the Group acquires for the purpose of selling or repurchasing in the near term, or that it holds as part of a portfolio that is managed together for short-term profit or position taking, or that it designates as such at the time of acquisition.

Available-for-sale: The Group's financial instruments included in this classification are securities with prices quoted in an active market or for which the fair values are otherwise determinable, and which are designated as such upon acquisition or not classified in any of the other categories.

(ii) Recognition and derecognition - non-derivative financial assets and financial liabilities -

The Group recognises a financial instrument when it becomes a party to the contractual terms of the instrument.

The Group initially recognises loans and receivables and debt securities on the date when they are originated. All other financial assets and financial liabilities are initially recognised on the trade date.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains all or substantially all the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Group is recognised as a separate asset or liability.

The Group derecognises a financial liability when its contractual obligations expire or are discharged or cancelled.

> Notes to the Financial Statements

31 March 2015

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(c) Financial instruments (continued)

(iii) Measurement and gains and losses - Non-derivative financial assets

Loans and receivables: On initial recognition these are measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost, using the effective interest method, less impairment losses. Where securities classified as loans and receivables become quoted in an active market, such securities will not be reclassified as available-for-sale securities. An active market is one where quoted prices are readily and regularly available from an exchange, dealer, broker or other agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Held-to-maturity: On initial recognition these are measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost, using the effective interest method, less impairment losses. Any sale or reclassification of a significant amount of held-to-maturity investments that are not close to their maturity would result in the reclassification of all held-to-maturity investments as available-for-sale, and prevent the Group from classifying investment securities as held-to-maturity for the financial year in which sale or reclassification occurs and the following two financial years.

Financial assets at fair value through profit or loss: On initial recognition these are measured at fair value, with directly attributable transaction costs recognised in profit or loss as incurred. Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value and changes therein, as well as any interest or dividend income, are recognised in profit or loss.

Available-for-sale: On initial recognition, these are measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value, with unrealised gains and losses arising from changes in fair value treated as follows:

- Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences are recognised in profit or loss. Changes in the fair value of securities classified as available-for-sale are recognised in other comprehensive income.
- When securities classified as available-for-sale are sold or impaired, and therefore derecognised, the fair value adjustments accumulated in other comprehensive income are reclassified to profit or loss.

(i) Cash and cash equivalents

Cash comprises cash in hand, demand and call deposits with banks and very short-term balances with other brokers/dealers. Cash equivalents are highly liquid financial assets that are readily convertible to known amounts of cash (that is, with original maturities of less than three months), which are subject to insignificant risk of changes in value, and are used for the purpose of meeting short-term commitments. Cash and cash equivalents are carried at cost.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

> Notes to the Financial Statements

31 March 2015

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(c) Financial instruments (continued)

(ii) Investment securities

Investment securities are classified, recognised/derecognised and measured in the manner set out for financial assets under "General" in this note 2(c) above.

(iii) Resale and repurchase agreements

Transactions involving purchases of securities under resale agreements ('resale agreements' or reverse repos) or sales of securities under repurchase agreements ('repurchase agreements' or 'repos') are accounted for as short-term collateralised lending and borrowing, respectively. Accordingly, securities sold under repurchase agreements remain on the statement of financial position and are measured in accordance with their original measurement principles. The proceeds of sale are reported as liabilities and are carried at amortised cost. Securities purchased under resale agreements are reported not as purchases of the securities, but as receivables and are carried in the statement of financial position at amortised cost. It is the policy of the Group to obtain possession of collateral with a market value in excess of the principal amount loaned under resale agreements.

Interest earned on resale agreements and interest incurred on repurchase agreements is recognised as interest income and interest expense, respectively, over the life of each agreement using the effective interest method.

(iv) Loans and notes receivable and other receivables

Loans and notes receivable and other receivables are stated at amortised cost less allowance for impairment.

(v) Account payable

Accounts payable are stated at their amortised cost.

(vi) Interest-bearing borrowings

Interest-bearing borrowings [other than repos, which are described in Note 2(c) (iii)] are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost, with any difference between cost and redemption recognised in the profit or loss over the period of the borrowings on an effective yield basis.

(vii) Embedded derivatives

Derivatives may be embedded in another contractual arrangement (a host contract). The Group accounts for an embedded derivative separately from the host contract when the host contract is not itself carried at fair value through profit or loss. Separated embedded derivatives are measured at fair value, with all changes in fair value recognised in profit or loss. Separated embedded derivatives are presented in the statement of financial position together with the host contract.

> Notes to the Financial Statements

31 March 2015

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(d) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.

The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that future economic benefits embodied within the part flow to the Group and its cost can be measured reliably. The costs of day-to-day servicing of property, plant and equipment are recognised in profit or loss.

Property, plant and equipment, with the exception of freehold land and paintings, on which no depreciation is provided, are depreciated on the straight-line basis at annual rates estimated to write down the assets to their residual values over their expected useful lives. The depreciation rates are as follows:

Freehold buildings	2½% - 5%
Leasehold improvements	The shorter of the estimated useful life and the period of the lease
Motor vehicles	20%
Computer equipment	20% - 25%
Other equipment, furniture and fittings	10% - 20%

The depreciation method, useful lives and residual values are reassessed at each reporting date.

(e) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs meeting the criteria of IAS 38, are not capitalised and the expenditure is charged against profits in the year in which the expenditure is incurred. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period for an intangible asset with a finite useful life is reviewed at a minimum at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss.

(i) Computer software

Computer software is carried at cost, less accumulated amortisation and impairment losses. Amortisation is charged on the straight-line basis over the useful lives of the assets at a rate of 25% per annum, from the date it is available for use.

> Notes to the Financial Statements

31 March 2015

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(e) Intangible assets (continued)

(ii) Goodwill

Goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the cost is less than the fair value (negative goodwill), it is recognised immediately in profit or loss. Goodwill is measured at cost less accumulated impairment losses. Goodwill is assessed for impairment at least annually.

(iii) Customer list

Acquired customer lists are measured initially at historical cost. Customer lists have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost over the expected retention period with the Group, which ranges from 8 to 15 years.

(iv) Licences

These assets represents the value of the JMMB Securities Limited seat on the Jamaica Stock Exchange and the banking licence and securities licence acquired for Intercommercial Bank Limited and AIC Securities Limited, which have indefinite useful lives. These assets are tested for impairment annually, and whenever there is an indication that the asset may be impaired, the carrying amount is reduced to the recoverable amount.

(v) Other intangibles

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses

(f) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

The consolidated financial statements are presented in Jamaican dollars, which is the company's functional and presentation currency.

> Notes to the Financial Statements

31 March 2015

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(f) Foreign currency translation (continued)

(ii) Transactions and balances

Foreign currency transactions are accounted for at the exchange rates prevailing at the dates of the transactions. At the date of the statement of financial position, monetary assets and liabilities denominated in foreign currencies are translated using the closing exchange rate.

Exchange differences resulting from the settlement of transactions at rates different from those at the dates of the transactions, and unrealised foreign exchange differences on unsettled foreign currency monetary assets and liabilities are recognised in profit or loss.

Exchange differences on non-monetary financial assets are a component of the change in their fair value. Depending on the classification of a non-monetary financial asset, exchange differences are either recognised in profit or loss (applicable for trading securities), or within other comprehensive income if non-monetary financial assets are classified as available-for-sale. In the case of changes in the fair value of monetary assets denominated in foreign currency classified as available-for-sale, a distinction is made between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in the carrying amount, except impairment, are recognised in other comprehensive income.

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement;
- Income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- All resulting exchange differences are recognised in other comprehensive income and accumulated as a separate component of equity.

> Notes to the Financial Statements

31 March 2015

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(g) Share capital

The Group classifies capital instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instrument. Preference share capital is classified as equity if it is non-redeemable, or redeemable only at the issuer's option, and any dividends are discretionary. Dividends thereon are recognised as distributions within equity. Preference share capital is classified as a liability if it is redeemable on a specific date or at the option of the stockholders, or if dividends are not discretionary. Dividends thereon are recognised as interest in profit or loss.

The Group's redeemable preference shares are redeemable on specific dates, and bear entitlements to distributions that are cumulative, and not at the discretion of the directors. Accordingly, they are presented as financial liability.

Incremental costs directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instruments.

(h) Taxation

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly to equity, in which case it is recognised in other comprehensive income.

(i) Current income tax

Current income tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date, and any adjustment to income tax payable in respect of previous years.

(ii) Deferred income tax

Deferred income tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

> Notes to the Financial Statements

31 March 2015

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(i) Impairment

The carrying amounts of the Group's assets, except for deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists for any asset, the asset's recoverable amount is estimated at each reporting date. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

When a decline in the fair value of an available-for-sale financial asset has been recognised in other comprehensive income and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised in other comprehensive income is reclassified to profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value less any impairment loss on that financial asset previously recognised in profit or loss.

(i) Calculation of recoverable amount

The recoverable amount of the Group's receivables is calculated as the present value of expected future cash flows, discounted at the original effective interest rate inherent in the asset. Receivables with a short duration are not discounted.

The recoverable amount of other assets is the greater of their fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

(ii) Reversals of impairment

An impairment loss in respect of a receivable is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

An impairment loss in respect of an investment in an equity instrument classified as available for sale is not reversed through profit or loss, but through other comprehensive income. If the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss shall be reversed, with the amount of the reversal recognised in profit or loss.

In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

> Notes to the Financial Statements

31 March 2015

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(j) Revenue recognition

Revenue is income that arises from the ordinary activities of the Group. The principal types of revenue and the manner in which they are recognised are as follows:

(i) Interest income

Interest income is recorded on the accrual basis. Interest income includes the amortisation of any discount or premium, transaction costs or other differences between the initial carrying amount of an interest-earning instrument and its amount at maturity calculated on the effective interest rate basis. When financial assets become doubtful of collection, they are written down to their recoverable amounts and interest income is thereafter recognised based on the rate of interest that was used to discount the future cash flows for the purpose of measuring the recoverable amount, which is the original effective interest rate of the instrument calculated at the acquisition or origination date.

(ii) Fees and commissions

Fee and commission income are recognised on the accrual basis when the service has been provided. Fees and commissions arising from negotiating or participating in the negotiation of a transaction for a third party are recognised on completion of the underlying transaction. Portfolio and other management advisory and service fees are recognised based on the applicable service contracts, usually on a time-apportionate basis. Asset management fees related to investment funds are recognised rateably over the period in which the service is provided. Performance-linked fees or fee components are recognised when the performance criteria are fulfilled.

(iii) Dividends

Dividend income is recognized when the right to receive payment is irrevocably established

(k) Employee benefits

Employee benefits are all forms of consideration given by the Group in exchange for service rendered by employees. These include current or short-term benefits such as salaries, bonuses, NIS contributions, vacation leave; non-monetary benefits such as medical care; post-employment benefits such as pensions; and other long-term employee benefits such as termination benefits.

Employee benefits that are earned as a result of past or current service are recognised in the following manner: Short-term employee benefits are recognised as a liability, net of payments made, and charged as expense. The expected cost of vacation leave that accumulates is recognised when the employee becomes entitled to the leave. Post-employment benefits are accounted for as described below. Other long-term benefits are not considered material and are charged off when incurred.

Pensions are the Group's only post-employment benefit. Pension fund costs included in Group profit or loss represent contributions to the defined-contribution fund which the Group operates to provide retirement pensions for the Group's employees (Note 30). Contributions to the fund, made on the basis provided for in the rules, are accrued and charged off when due.

> Notes to the Financial Statements

31 March 2015

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(l) Operating leases

Payments made under operating leases are recognised in profit or loss on the straight line basis over the terms of the leases.

(m) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the Board of Directors.

(n) Interest expense

Interest expense is recognised in profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments through the expected life of the financial liability (or, where appropriate, a shorter period) to the carrying amount of the financial liability.

(o) Borrowings

Borrowings are recognised initially at fair value net of transaction costs incurred. Borrowings are subsequently stated at amortised cost and any difference between net proceeds and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(p) Investment properties

Investment properties are held for rental yields and fair value gains and are not occupied by the Group. Investment properties are treated as a long-term investment and are carried at fair value. Fair value is determined every third year by an independent professional valuer, and in each of the two intervening years by the directors. Changes in fair values are recognised in profit or loss. Rental income from investment properties is recognised in profit and loss on the straight line basis over the tenor of the lease.

(q) Comparative information

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

> Notes to the Financial Statements

31 March 2015

(expressed in Jamaican dollars unless otherwise indicated)

3. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The preparation of the financial statements in conformity with IFRS requires management to make estimates, based on assumptions and judgements. Management also makes judgements other than those involving estimations, in the process of applying the accounting policies. The estimates and judgements affect (1) the reported amounts of assets, liabilities, contingent assets and contingent liabilities at the reporting date and the income and expenses for the year then ended, and (2) the carrying amounts of assets and liabilities in the next financial year.

The estimates and judgements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances, and are continually evaluated to confirm their continuing appropriateness.

The estimates, and the assumptions underlying them, as well as the judgements are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Estimates that can cause a significant adjustment to the carrying amounts of assets and liabilities in the next financial year and judgements that have a significant effect on the amounts recognised in the financial statements, include the following:

(a) Key sources of estimation uncertainty

(i) Allowance for losses

In determining amounts recorded for allowance for losses in the financial statements, management makes judgements regarding indicators of impairment, that is, whether there are indicators that suggest there may be a measurable decrease in the estimated future cash flows from investments, notes receivable and other financial assets, for example, repayment default and adverse economic conditions. The specific counterparty of the total allowances for impairment applies to financial assets evaluated individually for impairment and is based on management's best estimate of the present value of the cash flows that are expected to be received. In estimating these cash flows, management makes assumptions about a counterparty's financial situation and the net realisable value of any underlying collateral. Each impaired asset is assessed on its merits, and the work out strategy and estimate of cash flows considered recoverable are independently approved by the Credit and Market Risk functions.

(ii) Fair value of financial instruments

There are no quoted market prices for a significant portion of the Group's financial assets and liabilities. Accordingly, fair values of several financial assets are estimated using prices obtained from a yield curve. The yield curve is, in turn, obtained from a pricing source which estimates the yield curve on the basis of indicative prices submitted to it by licensed banks and other financial institutions in Jamaica. There is significant uncertainty inherent in this approach; the fair values determined in this way are classified as Level 2 fair values. Some other fair values are estimated based on quotes published by broker/dealers, and these are also classified as Level 2. The estimates of fair value arrived at from these sources may be significantly different from the actual price of the instrument in an actual arm's length transaction (see notes 16 and 29).

> Notes to the Financial Statements

31 March 2015

(expressed in Jamaican dollars unless otherwise indicated)

3. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (Continued)

(b) Critical accounting judgements in applying the Group's accounting policies

The Group's accounting policies provide scope for assets and liabilities to be designated on inception into different accounting categories in certain circumstances:

- In classifying financial assets or liabilities as "trading", the Group has determined that they meet the description of trading assets and liabilities set out in accounting policy 2 (c).
- In designating financial assets and liabilities at fair value through profit or loss, the Group has determined that they have met the criteria for this designation set out in accounting policy 2(c).

4. Segment Reporting

A segment is a distinguishable component of the Group that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Group's activities are organised into three main business segments:

- Financial and related services which include securities brokering, stock brokering, portfolio planning, funds management and investment advisory services.
- Banking and related services which include taking deposits, granting loans and other credit facilities and foreign currency trading.
- Other represents remittance and related services, insurance brokering, investment and real estate holding.

The Group Year ended 31 March 2015

	Financial & Related Services \$'000	Banking & Related Services \$'000	Other \$'000	Eliminations \$'000	Group \$'000
External revenues	14,106,369	4,248,340	103,171	-	18,457,880
Inter-segment revenue	616,670	43,188	9,253	(669,111)	-
Total segment revenue	14,723,039	4,291,528	112,424	(669,111)	18,457,880
Segment results	2,118,497	469,846	5,695	-	2,594,038
Impairment loss on financial asset					(259,262)
Gain on acquisition of subsidiaries					19,263
Profit before tax					2,354,039
Income tax expense					(306,757)
Profit for the year					2,047,282
Total segment assets	188,714,368	61,105,189	975,945	(33,080,200)	217,715,302

> Notes to the Financial Statements

31 March 2015

(expressed in Jamaican dollars unless otherwise indicated)

4. Segment Reporting (Continued)

The Group (cont'd) Year ended 31 March 2015

	Financial & Related Services \$'000	Banking & Related Services \$'000	Other \$'000	Eliminations \$'000	Group \$'000
Total segment liabilities	165,552,460	52,348,316	913,020	(22,821,558)	195,992,238
Interest income	10,039,267	3,297,471	1,078	-	13,337,816
Interest expense	6,758,071	1,318,074	-	-	8,076,145
Operating expenses	5,171,943	2,502,174	113,580	-	7,787,697
Depreciation and amortisation	318,008	118,239	6,089	-	442,336
Capital expenditure	501,338	105,770	25,289	-	632,397

The Group Year ended 31 March 2014

	Financial & Related Services \$'000	Banking & Related Services \$'000	Other \$'000	Eliminations \$'000	Group \$'000
External revenues	12,947,022	2,730,549	81,522	-	15,759,093
Inter-segment revenue	485,298	63,700	5,488	(554,486)	-
Total segment revenue	13,432,320	2,794,249	87,010	(554,486)	15,759,093
Segment results	2,624,528	443,290	3,763	-	3,071,581
Impairment loss on financial asset					(10,898)
Gain on acquisition of subsidiaries					361,657
Share of profit of associated companies					(24,289)
Profit before tax					3,398,051
Income tax expense					(335,992)
Profit for the year					3,062,059
Total segment assets	176,427,565	56,767,815	891,254	(27,380,515)	206,706,119
Total segment liabilities	157,227,188	48,882,631	826,277	(18,918,957)	188,017,139
Interest income	10,140,635	2,137,275	1,840	-	12,279,750
Interest expense	6,108,163	909,102	-	-	7,017,265
Operating expenses	4,173,959	1,413,042	83,246	-	5,670,247
Depreciation and amortisation	237,063	77,081	3,718	-	317,862
Capital expenditure	322,055	62,598	-	-	384,653

> Notes to the Financial Statements

31 March 2015

(expressed in Jamaican dollars unless otherwise indicated)

5. Net Interest Income

	The Group		The Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Interest income				
Cash and cash equivalents	46,162	15,978	23,266	16,861
Loans and notes receivable	2,510,568	1,590,326	438,788	349,840
Resale agreements	812,789	11,110	426,560	436,268
Investment securities	9,968,297	10,662,336	7,333,346	6,867,245
Total interest income	13,337,816	12,279,750	8,221,960	7,670,214
Interest expense				
Repurchase agreements	6,915,906	6,258,983	5,230,347	4,399,621
Notes payable	806,809	451,610	118,057	31,025
Redeemable preference shares	353,430	306,672	353,430	306,672
Total interest expense	8,076,145	7,017,265	5,701,834	4,737,318
Net interest income	5,261,671	5,262,485	2,520,126	2,932,896
Total interest income on financial assets not at fair value through profit or loss	13,337,816	12,279,750	8,221,960	7,670,214

6. Staff Costs

	The Group		The Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Salaries and benefits, including profit-related pay	3,112,102	2,284,451	1,620,681	1,338,092
Statutory payroll contributions	249,497	181,553	146,308	124,820
Pension costs (Note 30)	128,062	88,735	51,604	46,673
Training and development	67,702	31,873	41,408	27,734
Other staff benefits	353,769	291,105	144,911	134,514
	3,911,132	2,877,717	2,004,912	1,671,833

7. Impairment Loss on Financial Assets

The impairment charge was for a provision on certain of the Group's investments in its equity and corporate bond portfolio.

> Notes to the Financial Statements

31 March 2015

(expressed in Jamaican dollars unless otherwise indicated)

8. Operating Expenses

The following are among the items charged in arriving at profit before taxation

	The Group		The Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Marketing, corporate affairs and donations	353,168	251,510	221,701	184,826
Bad debts, less recoveries	56,044	13,372	-	13,372
Depreciation and amortisation	442,336	317,862	167,164	147,432
Directors' fees	107,466	61,357	40,739	29,741
Irrecoverable - GCT	179,255	148,360	125,218	111,931
Insurance	124,561	60,162	34,294	34,651
Auditors' remuneration	57,544	52,995	16,450	16,436
Assets tax	374,241	194,756	313,827	167,897
Information technology	320,668	269,697	200,288	189,402
Legal and other professional fees	437,208	353,459	185,312	183,634
Repairs and maintenance	115,607	81,955	73,969	76,894
Office rental	296,462	186,458	28,420	25,758
Loan loss, less recoveries	181,151	192,037	3,784	-
Security	140,086	79,875	81,115	71,019
Stationery, printing and postage	93,797	104,753	58,701	87,902
Utilities	204,681	135,622	102,128	98,820
Bank charges and interest	198,841	171,021	128,722	117,088
Other	193,449	117,279	64,803	41,291
	3,876,565	2,792,530	1,846,635	1,598,094

> Notes to the Financial Statements

31 March 2015

(expressed in Jamaican dollars unless otherwise indicated)

9. Taxation

- (a) Income tax for the parent is computed at 33 1/3% on the profit for the year adjusted for tax purposes. Income taxes for all other subsidiaries are based on statutory income tax rates prevailing in each jurisdiction:

	The Group		The Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
1% tax on assets	2,035	2,286	-	-
Green fund levy	2,148	1,876	-	-
Current income tax	518,000	101,497	362,159	40,958
Deferred income tax (Note 21)	(216,026)	230,333	(116,177)	158,280
	306,757	335,992	245,982	199,238

- (b) The tax on profit differs from the theoretical amount that would arise using the statutory rate of 33 1/3% as follows:

	The Group		The Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Profit before taxation	2,354,039	3,398,051	1,187,506	1,149,370
Tax calculated at 33 1/3%	784,680	1,132,684	395,835	383,123
Adjusted for the effects of:				
Income not subject to tax	(635,859)	(617,618)	(415,889)	(274,751)
Disallowed expenses	338,854	157,601	268,706	90,893
Tax losses not recognized	70,461	189,850	-	-
Effect of taxation under different tax regime	(275,076)	(526,237)	-	-
Green fund levy	2,077	1,876	-	-
Other	21,620	(2,164)	(2,670)	(27)
	306,757	335,992	245,982	199,238

- (c) At the reporting date, taxation losses, subject to agreement with the relevant Tax Authorities, available for set off against future taxable profits, amounted to approximately \$1,177,945,000 (2014: \$2,553,453,000) for the Group and nil (2014: \$885,455,000) for the company.

> Notes to the Financial Statements

31 March 2015

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10. Earnings per Stock Unit

Earning per stock unit ("EPS") is computed by dividing the profit attributable to stockholders of the parent of \$1,931,980,000 (2014: \$2,832,855,000) by the weighted average number of ordinary stock units in issue during the year, numbering 1,630,552,530 (2014: 1,630,555,230).

11. Dividends

Final dividend in respect of 2014 @ 17.0 cents per stock unit
Interim dividend in respect of 2015 @ 16.0 cents per stock unit
Interim dividend in respect of 2014 @ 16.0 cents per stock unit

	The Group and The Company	
	2015 \$'000	2014 \$'000
Final dividend in respect of 2014 @ 17.0 cents per stock unit	277,194	-
Interim dividend in respect of 2015 @ 16.0 cents per stock unit	260,888	-
Interim dividend in respect of 2014 @ 16.0 cents per stock unit	-	260,888
	538,082	260,888

12. Cash and Cash Equivalents

Cash
Cash equivalents

	The Group		The Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Cash	7,507,954	13,711,524	4,258,590	6,898,222
Cash equivalents	11,164,434	9,614,896	543,303	565,301
	18,672,388	23,326,420	4,801,893	7,463,523

Cash equivalents of the Group and company include \$543,240,000 (2014: \$548,759,000) held by an investment broker as security for funding provided on certain investment securities which is not available for immediate use. In addition, the Group also has restricted amount of \$7,685,160 (2014: \$7,595,574) deposited at an interest rate of 2.5% (2014: 2.5%) under an agreement with a building society which co-ordinates and administers a home ownership assistance programme on behalf of the Group for its employees.

> Notes to the Financial Statements

31 March 2015

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13. Loans and Notes Receivable

	The Group		The Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Corporate	17,642,910	14,829,906	1,219,688	1,051,194
Financial institutions	6,344,748	2,415,140	567,017	209,636
Individuals	8,977,175	10,200,588	2,639,433	2,220,983
	32,964,833	27,445,634	4,426,138	3,481,813
Less: provision for impairment	(1,040,290)	(894,459)	(20,004)	(13,799)
	31,924,543	26,551,175	4,406,134	3,468,014

Provision for impairment

	The Group		The Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Balance at 1 April	894,459	521,650	13,799	17,745
Provision acquired	3,666	153,149	3,666	-
Charge for year	181,151	428,426	3,784	-
Write-offs	(46,541)	(207,153)	(1,245)	(3,946)
Translation gains	7,555	(1,613)	-	-
Balance at 31 March	1,040,290	894,459	20,004	13,799

Notes receivable include the balance on an interest-free revolving advance of \$324,036,605 (2014: \$324,036,605) to the trustees of the Group's Employee Share Ownership Plan (ESOP), the repayment date for which has not yet been fixed. The number of shares held by the ESOP at 31 March 2015 was 162,138,701 (2014: 158,501,767).

> Notes to the Financial Statements

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14. Other Receivables

	The Group		The Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Receivables from related parties	-	-	1,418,656	1,567,045
Other receivables	937,645	1,658,251	408,015	269,467
Staff loans	308,905	276,507	297,953	276,507
	1,246,550	1,934,758	2,124,624	2,113,019
Less: provision for impairment	(1,390)	(7,552)	(923)	(7,128)
	1,245,160	1,927,206	2,123,701	2,105,891

Provision for impairment

	The Group		The Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Balance at 1 April	7,552	5,254	7,128	3,182
Charge for year	43	13,372	-	13,372
Recoveries/write-off	(6,205)	(11,074)	(6,205)	(9,426)
Balance at 31 March	1,390	7,552	923	7,128

15. Securities Purchased Under Agreements to Resell

	The Group		The Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Denominated in Jamaica dollars	72,162	338,520	527,426	538,000
Denominated in United States dollars	200,434	218,559	12,404,910	12,658,965
Denominated in Dominican Republic Pesos	-	-	362,140	326,017
Denominated in Trinidad and Tobago dollars	-	95,907	-	-
	272,596	652,986	13,294,476	13,522,982

Resale agreements include balances with related parties as set out in Note 26. All resale agreements mature within twelve months after the reporting date.

The securities that the Group obtains as collateral under resale agreements may be used as collateral under repurchase agreements. Certain of these securities and interest accrued thereon are pledged as security for repurchase agreements (Note 24).

At the reporting date, the fair value of the securities obtained and held under resale agreements was \$294,036,000 (2014: \$685,635,000) and \$15,911,514,000 (2014: \$13,756,305,000) for the Group and company, respectively

> Notes to the Financial Statements

31 March 2015

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16. Investment Securities

	The Group		The Company	
	2015 \$'000	2015 \$'000	2015 \$'000	2014 \$'000
Loans and receivables:				
Government of Jamaica securities	22,433,743	25,969,157	16,395,464	20,030,547
Sovereign	213,053	195,887	213,053	195,887
Corporate:				
Government of Jamaica guaranteed	6,048,483	6,115,895	2,876,929	2,997,918
Other	133,248	69,053	-	4,250
	<u>28,828,527</u>	<u>32,349,992</u>	<u>19,485,446</u>	<u>23,228,602</u>
Available-for-sale securities:				
Government of Jamaica securities	73,345,970	65,231,606	69,598,277	60,596,560
Certificates of deposit	12,292,110	3,213,523	10,830,897	2,515,739
Government of Jamaica Treasury Bills	33,421	-	-	-
Government of Jamaica guaranteed	4,951,841	4,417,831	4,951,841	4,417,831
Corporate bonds	8,504,821	9,606,972	496,830	5,165,231
Other sovereign bonds	16,750,687	18,376,802	123,992	84,458
Quoted securities	310,937	219,550	57,054	51,857
Units in unit trusts	75,268	80,253	22,075	50,882
Money Market Funds	440,819	513,926	440,819	508,688
Other	838,848	834,899	-	-
	<u>117,544,722</u>	<u>102,495,362</u>	<u>86,521,785</u>	<u>73,391,246</u>
Fair value through profit and loss:				
Government of Jamaica securities	1,614	593,812	1,614	593,812
Credit default swap	469,145	663,456	-	-
Corporate bonds	144,238	213,954	144,238	213,954
Other sovereign bonds	1,576,640	922,313	66,069	348,628
Quoted securities	50,362	182,903	-	-
Unquoted equities	12,956	12,956	-	-
	<u>2,254,955</u>	<u>2,589,394</u>	<u>211,921</u>	<u>1,156,394</u>

> Notes to the Financial Statements

31 March 2015

(expressed in Jamaican dollars unless otherwise indicated)

16. Investments Securities (Continued)

	The Group		The Company	
	2015 \$'000	2015 \$'000	2015 \$'000	2014 \$'000
Held to maturity:				
Credit linked note	8,803,785	8,207,138	-	-
Sovereign bonds	54,030	135,840	-	-
	<u>8,857,815</u>	<u>8,342,978</u>	<u>-</u>	<u>-</u>
	157,486,019	145,777,726	106,219,152	97,776,242
Less: provision for impairment losses	(259,262)	-	(218,355)	-
	<u>157,226,757</u>	<u>145,777,726</u>	<u>106,000,797</u>	<u>97,776,242</u>
Provision for impairment				
Balance as 1 April	-	57,009	-	-
Recoveries	-	(57,009)	-	-
Charge for the year	(259,262)	-	(218,355)	-
Balance as 31 March	<u>(259,262)</u>	<u>-</u>	<u>(218,355)</u>	<u>-</u>

	The Group		The Company	
	2015 \$'000	2015 \$'000	2015 \$'000	2014 \$'000
Balance as 1 April	-	57,009	-	-
Recoveries	-	(57,009)	-	-
Charge for the year	(259,262)	-	(218,355)	-
Balance as 31 March	<u>(259,262)</u>	<u>-</u>	<u>(218,355)</u>	<u>-</u>

> Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

16. Investments Securities (Continued)

Investments mature, from the reporting date, as follows:

	The Group		The Company	
	2015 \$'000	2015 \$'000	2015 \$'000	2014 \$'000
Government of Jamaica securities:				
Within 3 months	1,465,232	51,142	708,010	1,148
From 3 months to 1 year	5,586,835	1,499,056	5,550,023	857,838
From 1 year to 5 years	29,487,193	31,675,803	26,871,254	25,589,827
Over 5 years	59,275,488	58,568,574	52,866,068	54,772,106
	95,814,748	91,794,575	85,995,355	81,220,919
Certificates of deposit:				
Within 3 months	11,571,295	2,784,779	10,830,897	2,515,739
From 3 months to 1 year	124,011	428,744	-	-
From 1 year to 5 years	596,804	-	-	-
	12,292,110	3,213,523	10,830,897	2,515,739
Sovereign bonds and corporate bonds:				
Within 3 months	1,550,301	699,686	-	-
From 3 months to 1 year	5,966,116	3,068,581	1,271,589	2,654,963
From 1 year to 5 years	12,794,383	15,957,157	182,228	1,556,313
Over 5 years	27,729,691	30,022,369	7,214,608	9,216,880
	48,040,491	49,747,793	8,668,425	13,428,156
Other [see (c) below]	1,079,408	1,021,835	506,120	611,428
	157,226,757	145,777,726	106,000,797	97,776,242

- (a) Government of Jamaica securities and certain other bonds are pledged as security for repurchase agreements (Note 24).
- (b) Government of Jamaica securities having an aggregate face value of \$165,000,000 (2014: \$165,000,000) have been pledged as collateral against possible overdrafts at the Central Bank and against uncleared effects at one of the company's bankers.
- (c) Other includes quoted equities, unit trusts and interest in pooled money market fund for which there are no fixed maturity dates.

> Notes to the Financial Statements

31 March 2015

(expressed in Jamaican dollars unless otherwise indicated)

17. Interest in Subsidiaries

	The Company	
	2014 \$'000	2013 \$'000
JMMB Securities Limited		
Shares, at cost – equity	26,050	26,050
– preference	55,000	79,000
	81,050	105,050
JMMB Insurance Brokers Limited		
Shares, at cost – equity	125,000	125,000
Loan	10,000	10,000
	135,000	135,000
Jamaica Money Market Brokers (Trinidad and Tobago) Limited		
Shares, at cost – equity	1,642,924	1,577,014
Loan	336,765	336,765
	1,979,689	1,913,779
JMMB International Limited		
Shares, at cost – equity	500,000	500,000
JMMB Real Estate Holdings Limited		
Shares, at cost – equity	1	1
JMMB Holdings Limited, SRL		
Shares, at cost – equity	9	9
Loan	98,665	98,665
	98,674	98,674
Balance carried forward to page 174	2,794,414	2,752,504

> Notes to the Financial Statements

31 March 2015

(expressed in Jamaican dollars unless otherwise indicated)

17. Interest in Subsidiaries (Continued)

	The Company	
	2015 \$'000	2014 \$'000
Balance brought forward from page 173		
Capital and Credit Financial Group Limited Shares, at cost – equity	2,794,414	2,752,504
Capital & Credit Securities Limited Shares, at cost – equity	4,644,589	4,644,589
JMMB Fund Managers Limited Shares, at cost - equity	126,315	126,315
	254,555	254,555
	7,819,873	7,777,963

> Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

18. Investment Properties

The properties are stated at fair market value, as appraised by professional, independent valuers. The valuation model considers the present value of the net cash flows that can be generated from the property, condition of the buildings and its location (prime vs secondary), in addition to recent market transactions in the same proximity.

Investment properties generated revenue of \$1,938,590 (2014: \$2,378,000) and expenses of \$6,663,000 (2014: \$4,929,000) for the year.

The fair value of the Group's investment properties is categorised into Level 3 of the fair value hierarchy.

Valuation techniques	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
<p>Market approach. This model takes into account:</p> <ul style="list-style-type: none"> The fact that the intention is to dispose of the property in an open market transaction The expected sale would take place on the basis of a willing seller and willing buyer; A reasonable period in which to negotiate a sale, taking into account the nature of the property and state of the market; Values are expected to remain stable throughout the period of market exposure and disposal by of sale (hypothetical); The property will be freely exposed to the market; and The potential rental value of the property in the current investment climate. 	<ul style="list-style-type: none"> Judgements about whether the property can be sold, exchanged, transferred, let, mortgaged or used for any other economic activity, within its use class. The strength of demand for the property, given its condition, location and range of potential uses. The potential rental value of the property in the current investment climate. 	<p>The estimated fair value would increase/ (decrease) if:</p> <ul style="list-style-type: none"> The strength of the demand is greater less than judged. The potential rental income from the property is greater / (less) than judged.

> Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

19. Intangible Assets

	The Group					
	License	Other	Customer List	Computer Software	Goodwill	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cost						
31 March 2013	-	174,000	315,456	481,037	16,744	987,237
Acquired in business combination (Note 27)	177,452	128,612	210,012	-	-	516,076
Transfer	20,520	-	-	-	-	20,520
Additions	-	-	-	73,064	-	73,064
Exchange rate adjustment	7,630	5,530	9,030	-	619	22,809
31 March 2014	205,602	308,142	534,498	554,101	17,363	1,619,706
Acquired in business combination (Note 27)	10,707	208	8,348	-	-	19,263
Transfer						
Additions	-	-	10,710	156,670	-	167,380
Exchange rate adjustment	11,686	8,146	13,638	(4,573)	-	28,897
31 March 2015	227,995	316,496	567,194	706,198	17,363	1,835,246
Accumulated Amortisation						
31 March 2013	-	107,000	26,557	381,158	-	514,715
Charge for the year	-	31,956	43,006	22,722	-	97,684
Exchange rate adjustment	-	1,580	413	-	-	1,993
31 March 2014	-	140,536	69,976	403,880	-	614,392
Charge for the year	-	70,308	54,303	32,089	-	156,700
Exchange rate adjustment	-	3,064	813	-	-	3,877
31 March 2015	-	213,908	125,092	435,969	-	774,969
Net Book Value						
31 March 2015	227,995	102,588	442,102	270,229	17,363	1,060,277
31 March 2014	205,602	167,606	464,522	150,221	17,363	1,005,314
31 March 2013	-	67,000	288,899	99,879	16,744	472,522

> Notes to the Financial Statements

31 March 2015

(expressed in Jamaican dollars unless otherwise indicated)

19. Intangible Assets (Continued)

	The Company	
	Computer Software	Total
	\$'000	\$'000
Cost		
31 March 2013	437,256	437,256
Additions	71,678	71,678
31 March 2014	508,934	508,934
Additions	135,687	135,687
Adjustments	(4,571)	(4,571)
31 March 2014	640,050	640,050
Accumulated Amortisation		
31 March 2013	338,254	338,254
Charge for the year	22,320	22,320
31 March 2014	360,574	360,574
Charge for the year	30,800	30,800
31 March 2015	391,374	391,374
Net Book Value		
31 March 2015	248,676	248,676
31 March 2014	148,360	148,360
31 March 2013	99,004	99,004

> Notes to the Financial Statements

31 March 2015

(expressed in Jamaican dollars unless otherwise indicated)

20. Property, Plant and Equipment

	The Group					
	Freehold Land and Buildings	Leasehold Improvement	Motor Vehicles	Computer Equipment	Equipment, Furniture and Fittings	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cost						
At 31 March 2013	902,902	160,248	41,617	489,808	447,752	2,042,327
Acquisition of subsidiaries (Note 27)	12,194	339,812	-	-	792,397	1,144,403
Additions	154,393	11,593	24,151	70,495	50,957	311,589
Transfer	-	-	-	(2,836)	2,836	-
Disposals	-	(4,574)	(8,495)	(31)	(4,697)	(17,797)
Exchange adjustment	524	18,173	916	1,300	35,696	56,609
31 March 2014	1,070,013	525,252	58,189	558,736	1,324,941	3,537,131
Acquisition of subsidiaries (Note 27)	-	-	-	10,776	11,675	22,451
Additions	181,300	53,764	8,732	111,735	109,486	465,017
Transfer	(32,724)	-	-	-	32,724	-
Disposals	(6,775)	(17,283)	(8,688)	(8,897)	(11,220)	(52,863)
Exchange adjustment	1,286	14,182	(616)	(8,913)	49,188	55,127
31 March 2015	1,213,100	575,915	57,617	663,437	1,516,794	4,026,863
Accumulated Depreciation						
31 March 2013	86,344	89,724	18,099	340,190	211,834	746,191
Acquisition of subsidiaries (Note 27)	-	189,418	-	-	515,294	704,712
Charge for the year	17,054	35,305	10,061	67,179	90,579	220,178
Disposals	-	-	(8,495)	(31)	(194)	(8,720)
Transfer	-	-	-	(153)	153	-
Exchange adjustment	-	8,598	-	234	24,441	33,273
31 March 2014	103,398	323,045	19,665	407,419	842,107	1,695,634
Acquisition of subsidiaries (Note 27)	-	-	-	8,600	6,062	14,662
Charge for the year	18,504	47,583	11,912	76,073	131,564	285,636
Disposals	-	(17,283)	(4,146)	(9,149)	(5,061)	(35,639)
Exchange adjustment	-	13,408	(283)	(11,951)	31,708	32,882
31 March 2015	121,902	366,753	27,148	470,992	1,006,380	1,993,175
Net Book Value						
31 March 2015	1,091,198	209,162	30,469	192,445	510,414	2,033,688
31 March 2014	966,615	202,207	38,524	151,317	482,834	1,841,497
31 March 2013	816,558	70,524	23,518	149,618	235,918	1,296,136

> Notes to the Financial Statements

31 March 2015

(expressed in Jamaican dollars unless otherwise indicated)

20. Property, Plant and Equipment (Continued)

	The Company					
	Freehold Land and Buildings	Leasehold Improvement	Motor Vehicles	Computer Equipment	Equipment, Furniture and Fittings	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cost						
31 March 2013	828,420	101,013	38,461	476,556	378,413	1,822,863
Additions	72,595	-	23,984	68,203	24,495	189,277
Disposals	-	-	(2,931)	-	(2,499)	(5,430)
31 March 2014	901,015	101,013	59,514	544,759	400,409	2,006,710
Additions	141,480	-	-	56,313	46,314	244,107
Disposals	(6,775)	-	-	-	-	(6,775)
31 March 2015	1,035,720	101,013	59,514	601,072	446,723	2,244,042
Accumulated Depreciation						
31 March 2013	83,190	75,866	23,403	323,526	191,896	697,881
Charge for the year	14,088	7,269	7,681	64,743	31,330	125,111
Disposals	-	-	(2,927)	-	-	(2,927)
31 March 2014	97,278	83,135	28,157	388,269	223,226	820,065
Charge for the year	14,775	8,581	9,331	71,750	31,927	136,364
31 March 2015	112,053	91,716	37,488	460,019	255,153	956,429
Net Book Value						
31 March 2015	923,667	9,297	22,026	141,053	191,570	1,287,613
31 March 2014	803,737	17,878	31,357	156,490	177,183	1,186,645
31 March 2013	745,230	25,147	15,058	153,030	186,517	1,124,982

21. Deferred Income Taxes

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income tax assets and liabilities relate to income tax levied by the same fiscal authority on either the taxable entity or a different taxable entity where there is an intention to settle the balances on the net basis.

Deferred income tax is calculated in full on temporary differences under the liability method using a principal tax rate of 33 1/3% as deferred tax is currently applicable only to the jurisdiction that apply this rate.

> Notes to the Financial Statements

31 March 2015

(expressed in Jamaican dollars unless otherwise indicated)

21. Deferred Income Taxes (Continued)

Deferred tax assets and liabilities recognised on the statement of financial position are as follows:

	The Group		The Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Deferred income tax assets	38,933	150,384	-	-
Deferred income tax liabilities	(682,307)	(627,360)	(663,212)	(593,093)
Net deferred income tax liabilities	(643,374)	(476,976)	(663,212)	(593,093)

The movement in the net deferred income tax balance is as follows:

	The Group		The Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Net balance at beginning of year	(476,976)	(88,747)	(593,093)	(531,493)
Deferred tax acquired on acquisition	-	(14,457)	-	-
(Charge)/credited to profit or loss (Note 9)	216,026	(230,333)	116,177	(158,280)
Charged to other comprehensive income	(381,672)	(142,660)	(186,296)	96,680
Exchange rate adjustment	(752)	(779)	-	-
Net balance at end of year	(643,374)	(476,976)	(663,212)	(593,093)

Deferred income tax assets and deferred income liabilities are due to the following items:

	The Group		The Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Deferred income tax assets -				
Investments	680,406	822,452	670,482	723,146
Other payables	9,893	12,894	9,186	12,279
Property, plant and equipment	102	106	-	-
Interest payable	372,369	348,436	306,496	284,486
Tax losses carried forward	125,517	391,448	-	295,122
	1,188,287	1,575,336	986,164	1,315,033
Deferred income tax liabilities -				
Investments	121,100	41,075	-	-
Unrealised foreign exchange gains	1,152,433	1,412,989	1,150,376	1,409,078
Property, plant and equipment	14,332	15,051	5,594	7,552
Interest receivable	543,796	583,197	493,406	491,496
	1,831,661	2,052,312	1,649,376	1,908,126
Net deferred income tax liabilities	(643,374)	(476,976)	(663,212)	(593,093)

> Notes to the Financial Statements

31 March 2015

(expressed in Jamaican dollars unless otherwise indicated)

22. Share Capital

Authorised:

Ordinary stock units of no par value
Fixed rate cumulative redeemable preference shares of no par

	2015 Number of Shares \$'000	2014 Number of Shares \$'000
Ordinary stock units of no par value	1,816,400	1,816,400
Fixed rate cumulative redeemable preference shares of no par	4,000,000	4,000,000
	5,816,400	5,816,400

Issued ordinary share capital:
Ordinary stock units in issue

	2015 Number of Shares \$'000	2014 Number of Shares \$'000
Issued ordinary share capital: Ordinary stock units in issue	1,630,552	1,630,552

Stated capital:

1,630,552,530 ordinary stock units
889,073,000 8.75% cumulative redeemable preference stock units
26,322,000 8.5% cumulative redeemable preference stock units
715,482,000 7.50% cumulative redeemable preference stock units
15,358,000 7.25% cumulative redeemable preference stock units

	2015 \$'000	2014 \$'000
1,630,552,530 ordinary stock units	1,850,279	1,850,279
889,073,000 8.75% cumulative redeemable preference stock units	2,667,219	2,667,219
26,322,000 8.5% cumulative redeemable preference stock units	92,127	92,127
715,482,000 7.50% cumulative redeemable preference stock units	1,430,964	1,430,964
15,358,000 7.25% cumulative redeemable preference stock units	38,395	38,395
	6,078,984	6,078,984
Less redeemable preference stock units required by IFRS to be accounted for as liabilities in the financial statements	(4,228,705)	(4,228,705)
	1,850,279	1,850,279

During August 2013, the company issued, 715,482,000 7.50% fixed rate cumulative redeemable preference shares and 15,358,000 7.25% fixed rate cumulative redeemable preference shares at a price of \$2.00 and \$2.50 per share, respectively, to the public by public offering.

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22. Share Capital (Continued)

The holders of ordinary stock units are entitled to receive dividends as declared from time to time and are entitled to one vote per share at Annual General meetings of the Company.

The significant terms and conditions of the preference stock units are as follows:

- (i) The right to a cumulative preferential dividend payable monthly at the rate agreed for each class;
- (ii) The right, on winding up, to receive all arrears of dividend and repayment of the capital in priority to the ordinary shareholders;
- (iii) No right to vote except where dividends are not paid for twelve months or on winding up of the Company.

The rights attaching to the ordinary shares include the following:

- (i) Entitlement of dividends as declared from time to time (Note 11)
- (ii) Entitlement to one vote per share at meetings of the Company.

23. Retained Earnings Reserve

(a) Retained Earnings Reserve

In previous years, in accordance with a board resolution, the Company transferred a portion of its profit after tax to a non-distributable retained earnings reserve. This reserve constitutes a part of the Company's capital base in determining the capital adequacy ratio.

(b) Investment Revaluation Reserve

The investment revaluation reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the assets are derecognized or impaired.

(c) Cumulative Translation Reserve

The cumulative translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

> Notes to the Financial Statements

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24. Securities Sold Under Agreements to Repurchase

	The Group		The Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Denominated in Jamaica dollars	44,034,480	42,725,093	44,554,761	42,822,963
Denominated in United States dollars	89,252,857	85,841,109	71,172,323	69,433,419
Denominated in Pound Sterling	3,094,179	3,425,236	3,094,179	3,425,236
Denominated in Euro	129,492	255,037	129,492	255,037
Denominated in Dominican Republic Peso	7,032,692	10,528,260	-	-
Denominated in Canadian dollars	579,226	527,690	579,226	527,690
Denominated in Trinidad and Tobago dollars	378,732	-	-	-
	<u>144,501,658</u>	<u>143,302,425</u>	<u>119,529,981</u>	<u>116,464,345</u>

Repurchase agreements are collateralised by certain securities and other instruments held by the Group and the company with a carrying value of \$153,455,379,000 (2014: \$148,776,000) and \$120,588,082,000 (2014: \$117,590,300,000), respectively, (Notes 12, 15 and 16).

Repurchase agreements include balances with related parties as set out in Note 26. Certain of the securities described in Note 16 and interest accrued thereon are pledged as security for these repurchase agreements.

25. Notes Payable

	The Group		The Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
(i) Senior Unsecured US\$ Fixed Note	2,295,400	-	2,295,400	-
(ii) Capital and Credit Financial Group Limited 7% promissory note	-	-	75,464	75,464
(iii) Subordinated debt	1,348,984	-	-	-
	<u>3,644,384</u>	<u>-</u>	<u>2,370,864</u>	<u>75,464</u>

(i) This note is unsecured and bears interest at 6.75% per annum, with interest payable on quarterly basis. The note matures July 18, 2016; however, noteholders have an option to either redeem their notes on the maturity date or extend the maturity to July 18, 2019 at an interest rate of 7.75% per annum.

(ii) This promissory note is unsecured, bears interest at 7% per annum and repayable 31 May 2015.

(iii) This represent subordinated debt of TT\$80 million issued by subsidiary during the financial year for a term of eight (8) years, maturing on 28 March 2022, at a fixed rate of 4.5% per annum.

> Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

26. Related Party Transactions and Balances

Parties are considered to be related if one party has the ability to control or exercise significant influence over the other party in making financial or operational decisions.

Related companies include ultimate parent company, parent company, fellow subsidiaries and associated company. Related parties include directors, key management and companies for which the Group provides management services.

(i) The statement of financial position includes balances, arising in the normal course of business, with related parties, as follows:

	The Group		The Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Directors-				
Notes receivable	109,277	34,753	36,001	14,463
Interest payable	(439)	(639)	(387)	(587)
Customer deposits	(126,159)	(68,304)	-	-
Repurchase agreements	(105,422)	(185,173)	(105,422)	(185,173)
Major shareholders -				
Notes receivable	324,037	324,037	324,037	324,037
Interest payable	(190)	(29)	(190)	(29)
Repurchase agreements	(33,612)	(14,197)	(33,612)	(14,197)
Subsidiaries -				
Resale agreements	-	-	14,620,616	12,966,422
Notes receivable	-	-	624,558	209,636
Interest receivable	-	-	17,081	11,187
Accounts receivable	-	-	1,594,798	-
Repurchase agreements	-	-	(3,541,875)	(350,520)
Notes payable	-	-	(75,464)	(75,464)
Interest payable	-	-	(9,901)	(1,615)
Accounts payable	-	-	(1,594,798)	-

> Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

26. Related Party Transactions and Balances (Continued)

(ii) The income statement includes the following income earned from, and expenses incurred in, transactions with related parties, in the ordinary course of business:

	The Group		The Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Directors-				
Interest income	9,761	4,732	1,526	646
Interest expense	(7,862)	(6,002)	(5,614)	(4,836)
Major Shareholders -				
Interest income	1,829	4,141	1,829	4,141
Interest expense	(15,197)	(582)	(15,197)	(582)
Subsidiaries -				
Interest income	-	-	490,469	417,020
Interest expense	-	-	(192,605)	(30,998)
Managed funds				
Gain on sale of securities	451,400	591,180	451,400	591,180

(iii) Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly. Such persons comprise the directors, senior management of the company and company secretary. The compensation paid or payable to key management for employee services is as shown below:

	The Group		The Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Directors emoluments:				
Fees (Note 6)	107,466	61,357	40,739	29,741
Management remuneration	52,216	43,932	52,216	43,932
Key management compensation:				
Short-term employee benefits (Note 6)	250,657	238,525	171,499	130,768
Post-employment benefits	12,051	11,081	11,147	10,247
	422,390	354,895	275,601	214,688

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27. Business Combinations

Acquisition of AIC Securities Limited (AIC)

On 30 April 2014, JMMB Investments (Trinidad and Tobago) Limited, a 100% owned subsidiary, acquired 100% equity of AIC Securities Limited for TT\$5.21 million (J\$89.97 million).

Valuations of acquired tangible and intangible assets are now finalised. Details of the provisional purchase price allocation among net assets acquired and goodwill are as follows:

	\$'000
Purchase consideration	89,977
Fair value of net assets acquired	(109,240)
Negative goodwill	(19,263)

The assets and liabilities arising from the acquisition are as follows:

	Fair Value \$'000
Cash and cash equivalents	77,786
Investment and resale agreements	97,399
Intangible assets	19,263
Property, plant and equipment and intangible assets	7,790
Income tax recoverable	23
Accounts receivable	33,785
Taxation payable	(17)
Accounts payable	(126,789)
Net assets	109,240
Cash consideration	(89,977)
Cash and cash equivalents acquired	77,786
Net cash outflow on acquisition	(12,191)

In the eleven month period ended 31 March 2015, AIC Securities Limited contributed revenue of J\$37,999,000 and net profit of J\$4,206,000 to the Group's results. If the acquisition had occurred on the 1 April 2014, management estimates that revenue would have been J\$40,520,000, and net profit for the year would have been J\$1,681,000. In determining these amounts management has assumed that the fair value adjustments, determined previously, that arose on the acquisition date would have been the same if the acquisition had occurred on the 1 April 2014.

> Notes to the Financial Statements

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27. Business Combinations (Continued)

Acquisition of Intercommercial Bank Limited

On 3 October 2013, the company acquired the remaining 50% of the share capital of Intercommercial Bank Limited (IBL) for US\$8,750,000; IBL thereby became a 100% subsidiary of the JMMB Group.

Valuations of acquired tangible and intangible assets are now finalised. Details of the purchase price allocation among net assets acquired and goodwill are as follows:

	\$'000
Purchase consideration	916,038
Fair value of JMMB's 50% shareholding	855,530
Total consideration paid	1,771,568
Fair value of net assets acquired	(2,133,225)
Negative goodwill	(361,657)

The assets and liabilities arising from the acquisition are as follows:

	Fair Value \$'000
Cash and cash equivalents	9,813,551
Investment securities	1,468,993
Loans and notes receivable, net of provisions	13,194,167
Deferred tax assets	9,117
Property, plant and equipment	439,691
Intangible assets	516,076
Income tax recoverable	27,009
Accounts receivable	339,404
Deferred tax liability	(23,573)
Deposits	(23,201,035)
Accounts payable	(450,175)
Net assets	2,133,225
Cash consideration	916,038
Cash and cash equivalents acquired	(9,813,551)
Net cash inflow on acquisition	(8,897,513)

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27. Business Combinations (Continued)

Loans and notes receivable are stated after IFRS provisions of J\$228,352,000.

In the six month period ended 31 March 2014, Intercommercial Bank Limited contributed revenue of J\$794,210,000 and net profit of J\$156,445,000 to the Group's results. If the acquisition had occur on the 1 April 2013, management estimates that revenue would have been J\$1,436,439,000, and net profit for the year would have been J\$106,459,000. In determining these amounts management has assumed that the fair value adjustments, determined previously, that arose on the acquisition date would have been the same if the acquisition had occurred on the 1 April 2013.

28. Financial Risk Management

A financial instrument is any contract that gives rise to a financial asset of one enterprise and financial liability or equity instrument of another enterprise.

(a) Introduction and overview

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

Risk management framework

The risks are managed through an established risk management framework for the Group, which involves the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the financial business, and the operational risks are an inevitable consequence of being in business. The Group's aim is therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Group's financial performance.

The Group's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Group regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

The Board of Directors is ultimately responsible for the establishment and oversight of the Group's risk management framework. The Board has established committees/departments for managing and monitoring risks, as follows:

(i) Risk Management Committee

The Risk Management Committee is a Board Committee responsible for the supervision of the overall risk management functions of the Group. The committee decides the policies and strategy for integrated risk management of the various risk exposures of the Group.

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28. Financial Risk Management (Continued)

Risk management framework (continued)

(ii) Board Credit Committee

The Board Credit Committee is responsible for approving all credit requests above a specified threshold and ensuring that all lending facilities conform to standards agreed by the Board and embodied in Credit Risk Policy. The committee is ultimately responsible for determining the composition and management of the credit portfolio and has available a number of measures it can employ in this respect including the making of specific and general provisions against actual or potential bad debts. The committee is supported in its work by the Management Credit Committee.

(iii) Audit Committee

The Audit Committee monitors the quality of the Group's internal controls and compliance with regulatory requirements. The Audit Committee is assisted in its oversight role by the Internal Audit Function and the Risk Management unit and Compliance Unit. Internal Audit undertakes both regular and ad hoc reviews of the risk management controls and procedures, the results of which are reported quarterly to the Audit Committee.

The management of certain specific aspects of operational risk, such as fraud, is also within the purview of the Audit Committee.

(iv) Investment Committee

The Investment Committee is a senior management level committee responsible for the management of market risks. The committee monitors the composition of assets and liabilities, evaluates potential market risk involved in launching new products, reviews and articulates funding policy and decides optimal ways of managing the Group's liquidity.

(b) Credit risk

The Group assumes credit risk, which is the risk that its customers or counterparties will cause a financial loss for the Group by failing to discharge their contractual obligations. Credit exposures arise principally in lending and investment activities. The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to a single counterparty, or groups of related counterparties and to geographical and industry segments.

Credit review process

The Group has established a credit quality review process involving regular analysis of the ability of borrowers and other counterparties to meet interest and capital repayment obligations.

> Notes to the Financial Statements

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28. Financial Risk Management (Continued)

(b) Credit risk (continued)

(i) Loans and notes receivable

The Group assesses the probability of default of individual counterparties using internal ratings. Clients of the Group are segmented into rating classes. The Group's rating scale, which is shown below, reflects the range of default probabilities defined for each rating class.

Group's internal rating scale:

Rating grades	Description of the grade
1	Excellent
2	Good credit
3	Average credit
4	Acceptable
5	Marginal
6	Substandard
7	Doubtful

Exposure to credit risk is managed in part by obtaining collateral and corporate and personal guarantees. Counterparty limits are established by the use of a credit classification system, which assigns each counterparty a risk rating. Risk ratings are subject to regular revision. The credit quality review process allows the Group to assess the potential loss as a result of the risk to which it is exposed and to take corrective action.

Loan and notes receivable that are cash secured are not included in a credit classification, based on the Group's rating grades.

(ii) Investments and resale agreements

The Group limits its exposure to credit risk by investing in liquid securities and with counterparties that have high credit quality. As a consequence, management's expectation of default is low.

The Group has documented investment policies which facilitate the management of credit risk on investment securities and resale agreements. The Group's exposure and the credit ratings of its counterparties are continually monitored.

(iii) Cash and cash equivalents

Cash and cash equivalents are held in financial institutions which management regards as strong and there is no significant concentration. The strength of these financial institutions is constantly reviewed by the Credit and Risk Management Committees.

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28. Financial Risk Management (Continued)

(b) Credit risk (continued)

Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are implemented regarding the acceptability of different types of collateral.

The main types of collateral obtained are as follows:

Notes receivable – Cash and other near cash securities, mortgages over commercial and residential properties, charges over general business assets such as premises, equipment, inventory, accounts receivable, marketable securities and motor vehicles.

Resale agreements – Government of Jamaica securities and Bank of Jamaica securities. The collateral obtained (including accrued interest) is at least 100% of the sum of the principal value of the resale agreement plus interest to be earned.

Management monitors the market value of collateral held and where necessary requests additional collateral in accordance with the underlying agreement.

Exposure to credit risk

Impairment

The main considerations for the loans and notes receivable impairment assessment include arrears of principal, or interest overdue by more than 90 days, or whether there are any known difficulties in the cash flows of counterparties, credit rating downgrades, or infringement of the original terms of the contract.

The Group addresses impairment assessment by reviewing all loans and notes receivable with risk ratings of 5 and above.

Individually assessed allowances are provided for financial assets based on a review conducted at least annually, or more regularly, when individual circumstances require. Impairment allowances on individually assessed accounts are determined by an evaluation of the incurred loss at the reporting date on a case-by-case basis, and are applied to all accounts. The assessment normally encompasses collateral held and the anticipated receipts for that individual account.

The internal rating tool assists management to determine whether objective evidence of impairment exists, based on the following criteria set out by the Group:

- Delinquency in contractual payments of principal or interest;
- Cash flow difficulties experienced by the borrower (e.g. equity ratio, net income percentage of sales);
- Breach of loan covenants or conditions;
- Initiation of bankruptcy proceedings;
- Deterioration of the borrower's competitive position; and
- Deterioration in the value of collateral.

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28. Financial Risk Management (Continued)

(b) Credit risk (continued)

Maximum exposure to credit risk before collateral held or other credit enhancements

The maximum credit exposure, that is, the amount of loss that would be suffered if every counter-party to the Group's financial assets were to default at once, is represented as follows:

(1) For financial assets recognised at the reporting date:

The carrying amounts of financial assets as shown on the statement of financial position.

(2) For financial assets not recognised at the reporting date:

	The Group		The Company	
	2015 \$'000	2015 \$'000	2015 \$'000	2014 \$'000
Loan commitments	2,267,955	2,405,817	-	-
Guarantees and letters of credit	77,274	349,438	-	-
	2,345,229	2,755,255	-	-

Loans and notes receivable, other receivables and investment securities

(i) Financial assets – individually impaired

Financial assets that are individually impaired before taking into consideration the cash flows from collateral held are as follows:

	The Group and Company	
	2015 \$'000	2014 \$'000
Loans and notes receivable	1,086,773	901,124

(ii) Full provision has been made for financial assets that are individually impaired.

The fair value of the collateral that the Group and company held as security for individually impaired loans and notes receivable was \$1,073,542,000 (2014: \$1,623,118,000).

There are no financial assets other than loans and notes receivable and other receivables that were individually impaired.

(iii) Financial assets that are past due but not impaired amount to \$1,898,560,000 (2014: \$1,626,756,000) for the Group and company.

> Notes to the Financial Statements

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28. Financial Risk Management (Continued)

(b) Credit risk (continued)

(iv) Repossessed properties are sold as soon as practicable with the proceeds used to reduce the outstanding indebtedness. The Group does not occupy repossessed properties for business or other use.

The carrying value of the loans on which the collateral was repossessed during the year was \$10,380,000 (2014: \$4,160,000).

(v) Renegotiated loans and leases

Restructuring activities include extended payment arrangements, approved external management plans, modification and deferral of payments. Following restructuring, a previously overdue customer account is reset to a normal status and managed together with other similar accounts. Restructuring policies and practices are based on indicators or criteria which, in the judgment of management, indicate that payment will most likely continue. These policies are kept under continual review.

There are no loans, that would otherwise be past due or impaired, whose terms have been negotiated.

(vi) The Group monitors concentrations of credit risk by sector and by geographic location. An analysis of concentrations of credit risk at the reporting date is shown below:

	The Group 2015				
	Cash and cash equivalents \$'000	Loans and notes receivable \$'000	Resale agreements \$'000	Investments \$'000	Total \$'000
Carrying amounts	18,672,388	31,924,543	272,596	157,226,757	208,096,284
Concentration by sector					
Government of Jamaica	-	-	-	107,022,013	107,022,013
Other sovereign bonds	-	-	-	4,821,519	4,821,519
Bank of Jamaica	2,384,354	-	-	11,627,701	14,012,054
Corporate bonds	-	10,356,563	-	14,494,645	24,851,208
Financial institutions	16,288,034	9,067,248	272,596	19,260,880	44,888,758
Retail	-	12,500,732	-	-	12,500,732
	18,672,388	31,924,543	272,596	157,226,757	208,096,284
Concentration by location					
Jamaica	6,114,941	15,040,060	272,596	129,339,138	150,766,735
North America	2,593,080	-	-	943	2,594,023
Trinidad and Tobago	9,964,367	16,884,483	-	6,758,438	33,607,288
Other	-	-	-	21,128,238	21,128,238
	18,672,388	31,924,543	272,596	157,226,757	208,096,284

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28. Financial Risk Management (Continued)

(b) Credit risk (continued)

	The Group 2014				
	Cash and cash equivalents	Loans and notes receivable	Resale agreements	Investments	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amounts	23,326,420	26,551,175	652,986	145,777,726	196,308,307
Concentration by sector					
Government of Jamaica	-	-	-	112,560,915	112,560,915
Other sovereign bonds	-	-	285,968	19,813,116	20,099,084
Bank of Jamaica	-	-	367,018	2,905,791	3,272,809
Corporate bonds	-	13,655,273	-	8,663,196	22,318,469
Financial institutions	23,326,420	2,768,154	-	1,834,708	27,929,282
Retail	-	10,127,748	-	-	10,127,748
	23,326,420	26,551,175	652,986	145,777,726	196,308,307
Concentration by location					
Jamaica	9,025,243	12,768,047	524,227	139,606,176	161,923,693
North America	525,224	13,114	-	-	538,338
Trinidad and Tobago	12,970,887	13,770,014	128,759	2,651,744	29,521,404
Other	805,066	-	-	3,519,806	4,324,872
	23,326,420	26,551,175	652,986	145,777,726	196,308,307

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28. Financial Risk Management (Continued)

(b) Credit risk (continued)

	The Company 2015				
	Cash and cash equivalents	Loans and notes receivable	Resale agreements	Investments	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amounts	4,801,893	4,406,134	13,294,476	106,000,797	128,503,300
Concentration by sector					
Government of Jamaica	-	-	-	93,824,125	93,824,125
Sovereign bonds	-	-	-	198,587	198,587
Bank of Jamaica	1,266,360	-	-	10,830,89	12,097,257
Corporate	-	1,199,684	-	684,294	1,883,978
Financial institutions	3,535,533	567,017	13,294,476	462,894	17,859,920
Retail	-	2,639,433	-	-	2,639,433
	4,801,893	4,406,134	13,294,476	106,000,797	128,503,300
Concentration by location					
Jamaica	4,258,590	4,406,134	13,294,476	105,174,732	127,133,932
North America	280,501	-	-	943	281,444
Trinidad and Tobago	262,802	-	-	67,957	330,759
Other	-	-	-	-	-
	-	-	-	757,165	757,165
	4,801,893	4,406,134	13,294,476	106,000,797	128,503,300

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28. Financial Risk Management (Continued)

(b) Credit risk (continued)

	The Company 2014				
	Cash and cash equivalents	Loans and notes receivable	Resale agreements	Investments	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amounts	7,463,523	3,468,014	13,522,982	97,776,242	122,230,761
Concentration by sector					
Government of Jamaica	-	-	-	88,636,669	88,636,669
Sovereign bonds	-	-	-	628,973	628,973
Bank of Jamaica	-	-	-	2,515,739	2,515,739
Corporate	-	1,051,194	-	5,435,291	6,486,485
Financial institutions	7,463,523	209,636	13,522,982	559,570	21,755,711
Retail	-	2,207,184	-	-	2,207,184
	7,463,523	3,468,014	13,522,982	97,776,242	122,230,761
Concentration by location					
Jamaica	6,857,333	3,468,014	13,522,982	94,128,480	117,976,809
North America	520,303	-	-	-	520,303
Trinidad and Tobago	85,887	-	-	127,956	213,843
Other	-	-	-	3,519,806	3,519,806
	7,463,523	3,468,014	13,522,982	97,776,242	122,230,761

Collateral and other credit enhancements held against financial assets

The Group holds collateral against loans and advances to customers and others in the form of mortgage interests over property, other registered securities over other assets, and guarantees. Estimates of fair value are based on the value of collateral assessed at the time of borrowing, and generally are not updated except when a loan is individually assessed as impaired. Collateral generally is not held over balances with banks or broker/dealers, except when securities are held under resale agreements. Collateral is generally not held against investment securities, and no such collateral was held at the reporting date (2014: no collateral held).

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28. Financial Risk Management (Continued)

(b) Credit risk (continued)

An estimate, made at the time of borrowing, of the fair value of collateral and other security enhancements held against loans to borrowers and others is shown below:

	The Group				The Company			
	Loans and notes receivable		Resale agreements		Loans and notes receivable		Resale agreements	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Against neither past due nor impaired financial assets:								
Cash secured	3,577,518	3,367,567	-	-	2,840,749	2,710,538	-	-
Property	19,300,979	13,901,303	-	-	3,660	-	-	-
Debt securities	2,614,018	1,639,008	294,036	3,497,987	1,802,592	789,517	15,911,514	13,756,305
Liens on motor vehicles	2,206,460	1,660,939	-	-	8,632	29,407	-	-
Equities	188,889	169,392	-	-	-	-	-	-
Other	8,051,983	6,714,775	-	-	-	-	-	-
Subtotal	35,939,847	27,452,984	294,036	3,497,987	4,655,633	3,529,462	15,911,514	13,756,305
Against past due but not impaired financial assets:								
Cash secured	32,703	21,496	-	-	-	-	-	-
Property	1,931,468	1,605,033	-	-	10,272	19,663	-	-
Liens on motor vehicles	373,040	252,953	-	-	22,422	19,527	-	-
Other	305,504	362,099	-	-	-	-	-	-
Subtotal	2,642,715	2,241,581	-	-	32,694	39,190	-	-
Against past due and impaired financial assets:								
Debt securities	-	-	-	-	-	-	-	-
Property	784,312	1,306,609	-	-	83,392	95,986	-	-
Liens on motor vehicles	40,754	34,066	-	-	10,250	6,100	-	-
Other	342,118	384,529	-	-	-	-	-	-
Subtotal	1,167,184	1,725,204	-	-	93,642	102,086	-	-
Total	39,749,746	31,419,769	294,036	3,497,987	4,781,969	3,670,738	15,911,514	13,756,305

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28. Financial Risk Management (Continued)

(c) Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn. The consequence may be the failure to meet obligations to repay depositors and fulfil commitments to lend.

The Group is exposed to daily calls on its available cash resources from overnight placement of funds, maturing placement of funds and loan draw-downs. The Group does not maintain cash resources to meet all of these needs as experience shows that a minimum level of investment of maturing funds can be predicted with a high level of certainty.

The Group's approach to managing liquidity is to ensure, as far as possible, that it has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damages to the Group's reputation.

Liquidity risk management process

The Group's liquidity management process includes:

- (i) Monitoring future cash flows and liquidity on a daily basis. This incorporates an assessment of expected cash flows and the availability of high grade collateral which could be used to secure funding if required;
- (ii) Maintaining a portfolio of highly marketable and diverse assets that can easily be liquidated as protection against any unforeseen interruption to cash flow;
- (iii) Optimising cash returns on investments;
- (iv) Managing the concentration and profile of debt maturities.

Monitoring and reporting take the form of cash flow measurement and projections for the next day, week and month, respectively, as these are key periods for liquidity management. The starting point for those projections is an analysis of the contractual maturity of the financial liabilities and the expected collection date of the financial assets.

The maturities of assets and liabilities and the ability to replace, at an acceptable cost, interest-bearing liabilities as they mature, are important factors in assessing the liquidity of the Group and its exposure to changes in interest rates and exchange rates.

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28. Financial Risk Management (Continued)

(c) Liquidity risk (continued)

The tables below present the residual contractual maturities of undiscounted cash flows (both interest and principal cash flows) of the Group's and the company's financial liabilities.

	2015				
	The Group				
	Within 3 Months	3 to 12 Months	1 to 5 Years	Contractual Cash flow	Carrying Amount
	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Liabilities					
Customer deposits	10,845,973	15,115,275	14,682,905	40,644,153	38,463,504
Due to other banks	82,569	-	477,195	559,764	435,032
Securities sold under agreements to repurchase	114,051,059	27,427,167	5,309,502	146,787,728	144,501,658
Notes payable	145,312	421,705	3,117,170	3,684,187	3,644,384
Redeemable preference shares	-	-	4,256,259	4,256,259	4,228,705
Payables	2,362,486	-	-	2,362,486	2,362,486
	127,487,399	42,964,147	27,843,031	198,294,577	193,635,769

	2014				
	The Group				
	Within 3 Months	3 to 12 Months	1 to 5 Years	Contractual Cash flow	Carrying Amount
	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Liabilities					
Customer deposits	7,802,039	17,178,729	11,376,997	36,357,765	35,887,750
Due to other banks	-	2,872	372,633	375,505	283,386
Securities sold under agreements to repurchase	111,000,491	29,957,077	5,176,935	146,134,503	143,302,425
Redeemable preference shares	-	-	4,256,259	4,256,259	4,228,705
Payables	2,068,640	-	-	2,068,640	2,068,641
	120,871,170	47,138,678	21,182,824	189,192,672	185,770,907

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28. Financial Risk Management (Continued)

(c) Liquidity risk (continued)

	2015				
	The Company				
	Within 3 Months	3 to 12 Months	1 to 5 Years	Contractual Cash flow	Carrying Amount
	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Liabilities					
Securities sold under agreements to repurchase	93,230,233	27,427,167	678,764	121,336,164	119,529,981
Notes payable	-	-	2,410,667	2,410,667	2,370,864
Redeemable preference shares	-	4,259,204	-	4,259,204	4,228,705
Payables	424,351	-	-	424,351	424,351
	93,654,584	31,686,371	3,089,431	128,430,386	126,553,901

	2014				
	The Company				
	Within 3 Months	3 to 12 Months	1 to 5 Years	Contractual Cash flow	Carrying Amount
	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Liabilities					
Securities sold under agreements to repurchase	90,241,628	27,728,772	437,062	118,407,462	116,464,345
Notes payable	-	77,063	-	77,063	75,464
Redeemable preference shares	-	-	4,256,259	4,256,259	4,228,705
Payables	369,121	-	-	369,121	369,121
	90,610,749	27,805,835	4,693,321	123,109,905	121,137,635

> Notes to the Financial Statements

31 March 2015

(expressed in Jamaican dollars unless otherwise indicated)

28. Financial Risk Management (Continued)

(d) Market risk

The Group assumes market risks, which are the changes in market prices, such as interest rates, equity prices, foreign exchange rates and commodity prices, that will affect the Group's income or fair value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing return on risk.

The overall responsibility for market risk management is vested in the Board Risk Management Committee. The Risk Department is responsible for the development of detailed risk management policies (subject to review and approval by the Board Risk Management Committee) and for the day-to-day review of their implementation.

The principal tool used to measure and control market risk exposures within the Group is Value at Risk (VaR). The VaR of a portfolio is the estimated loss that will arise on the portfolio over a specified period of time (the holding period) from an adverse market movement with a specified probability (confidence level). The VaR model used by the Group is based on a 99 percent confidence level and assumes a 10 day holding period. The VaR model used is based mainly on the Monte Carlo simulation model. Taking account of market data from the previous year and observed relationships between differences in market prices, the model generates a wide range of plausible future scenarios for market price movements.

Although VaR is an important tool for measuring market risk, the assumptions on which the model is based do give rise to some limitations, including the following:

- A 10 day holding period assumes that it is possible to hedge or dispose of positions within that period. This is considered to be a reasonable assumption, but may not be the case in situations in which there is severe market illiquidity for a prolonged period;
- A 99% confidence level does not reflect losses that may occur beyond this level. Even within the model used, there is a one percent probability that losses could exceed the VaR;
- VaR is calculated on an end-of-day basis and does not reflect exposures that may arise on positions during the trading day;
- The use of historical data to determine the relationships between different market prices may not cover all possible scenarios, as these relationships may break down in times of market stress;
- The VaR Measure is dependent on the Group's positions and volatility of market prices. The VaR of an unchanged position reduces if the market prices volatility declines and vice-versa.

The Group uses VaR limits for its overall portfolio and for sub-portfolios. The overall structure of VaR limits is subject to review and approval by the Board Risk Management Committee. VaR is measured at least once daily. Daily reports of utilization of VaR limits are prepared by the Risk department and regular summaries submitted to the Board Risk Management Committee.

> Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

28. Financial Risk Management (Continued)

(d) Market risk (continued)

A summary of the VaR position of the Group's overall portfolio as at 31 March 2015 and during the year then ended is as follows:

	Average for Maximum Minimum			
	31 March	Year	during Year	during Year
	\$'000	\$'000	\$'000	\$'000
2015 Overall VaR	2,125,891	3,137,163	8,839,834	1,259,592
2014 Overall VaR	4,279,539	3,090,307	12,733,451	843,813

The limitations of the VaR methodology are recognised by supplementing VaR limits with other position and sensitivity limit structures, including limits to address potential concentration of risks within the portfolio.

(i) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to foreign currency risk on transactions that it undertakes in foreign currencies that give rise to the net currency gains and losses recognised during the year. Such exposures comprise the assets and liabilities of the Group that are not denominated in its functional currency. The Group ensures that the risk is kept to an acceptable level by monitoring its value at risk exposure.

At the reporting date, the Jamaica dollar equivalents of net foreign currency assets/(liabilities) were as follows:

	The Group		The Company		Exchange rates	
	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
United States dollars	(3,088,699)	(1,359,023)	3,524,224	113,273	114.77	109.28
Great Britain pounds	202,528	(114,647)	190,856	(69,502)	169.16	180.58
Euros	64,781	63,292	60,181	16,148	124.33	150.31
Trinidad and Tobago dollars	281,300	133,764	281,300	133,764	18.01	16.98
Canadian dollars	(89,161)	-	(89,135)	-	89.92	98.06
Peso	-	-	367,761	330,894	2.57	2.54

> Notes to the Financial Statements

31 March 2015

(expressed in Jamaican dollars unless otherwise indicated)

28. Financial Risk Management (Continued)

(d) Market risk (continued)

(i) Currency risk (continued)

Foreign currency sensitivity

The following tables indicate the currencies to which the Group and company had significant exposure on their monetary assets and liabilities and their forecast cash flows. The change in currency rates below represents management's assessment of a reasonable possible change in foreign exchange rates at the reporting date:

	The Group			
	Change in Currency Rate 2015	Effect on Profit 2014	Change in Currency Rate 2015	Effect on Profit 2014
	%	\$'000	%	\$'000
Currency:				
USD	5	(154,435)	5	(67,951)
GBP	5	10,126	5	(5,732)
EUR	5	3,329	5	3,165
CAD	5	(4,458)	5	-
TT\$	5	14,065	5	6,688
		(131,463)		(63,830)

	The Company			
	Change in Currency Rate 2015	Effect on Profit 2014	Change in Currency Rate 2015	Effect on Profit 2014
	%	\$'000	%	\$'000
Currency:				
USD	5	176,211	5	5,664
GBP	5	9,543	5	(3,475)
EUR	5	3,009	5	807
PESO	5	18,388	5	16,545
CAD	5	(4,340)	5	-
TT\$	5	14,065	5	6,688
		216,876		26,229

> Notes to the Financial Statements

31 March 2015

(expressed in Jamaican dollars unless otherwise indicated)

28. Financial Risk Management (Continued)

(d) Market risk (continued)

(ii) Interest rate risk (continued)

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Floating rate instruments expose the Group to cash flow interest risk, whereas fixed interest rate instruments expose the Group to fair value interest risk.

The following tables summarise the Group's and the company's exposure to interest rate risk to earnings. It includes the Group's and company's financial instruments at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

	2015 The Group					
	Within 3 Months \$'000	3 to 6 Months \$'000	6 to 12 Months \$'000	1 to 5 Years \$'000	Non interest Bearing \$'000	Total \$'000
At 31 March 2015:						
Assets						
Cash and cash equivalents	18,672,388	-	-	-	-	18,672,388
Loans and notes receivable	3,904,342	17,291,371	1,557,683	7,080,862	2,090,285	31,924,543
Securities purchased under agreements to resell	272,596	-	-	-	-	272,596
Investment securities	23,427,116	7,891,509	9,463,489	115,804,256	640,387	157,226,757
Total interest bearing assets	46,276,442	25,182,880	11,021,172	122,885,118	2,730,672	208,096,284
Liabilities						
Securities sold under agreements to repurchase	108,181,890	16,393,302	15,228,360	4,698,106	-	144,501,658
Redeemable preference shares	4,228,705	-	-	-	-	4,228,705
Notes payable	2,203,584	-	-	1,440,800	-	3,644,384
Due to other financial institutions	-	-	80,511	354,521	-	435,032
Deposits	30,617,388	2,411,024	871,810	211,021	4,352,261	38,463,504
Other	-	-	-	-	2,362,486	2,362,486
Total interest bearing liabilities	145,231,567	18,804,326	16,180,681	6,704,448	6,714,747	193,635,769
Total interest sensitivity gap	(98,955,125)	6,378,554	(5,159,509)	116,180,670	(3,984,075)	14,460,515
Cumulative interest sensitivity gap	(98,955,125)	(92,576,571)	(97,736,080)	18,444,590	14,460,515	-

> Notes to the Financial Statements

31 March 2015

(expressed in Jamaican dollars unless otherwise indicated)

28. Financial Risk Management (Continued)

(d) Market risk (continued)

(ii) Interest rate risk (continued)

	2014 The Group					
	Within 3 Months \$'000	3 to 6 Months \$'000	6 to 12 Months \$'000	1 to 5 Years \$'000	Non interest Bearing \$'000	Total \$'000
At 31 March 2014:						
Assets						
Cash and cash equivalents	23,326,420	-	-	-	-	23,326,420
Loans and notes receivable	6,289,435	12,422,157	743,242	7,096,341	-	26,551,175
Securities purchased under agreements to resell	652,986	-	-	-	-	652,986
Investment securities	2,242,522	3,709,793	5,609,342	134,216,069	-	145,777,726
Total interest bearing assets	32,511,363	16,131,950	6,352,584	141,312,410	-	196,308,307
Liabilities						
Securities sold under agreements to repurchase	110,100,160	17,843,905	11,073,842	4,284,518	-	143,302,425
Redeemable preference shares	4,228,705	-	-	-	-	4,228,705
Due to other financial institutions	-	2,768	-	280,618	-	283,386
Deposits	31,540,915	2,080,209	-	2,266,626	-	35,887,750
Other	-	-	-	-	2,068,641	2,068,641
Total interest bearing liabilities	145,869,780	19,926,882	11,073,842	6,831,762	2,068,641	185,770,907
Total interest sensitivity gap	(113,358,417)	(3,794,932)	(4,721,258)	134,480,648	(2,068,641)	10,537,400
Cumulative interest sensitivity gap	(113,358,417)	(117,153,349)	(121,874,607)	12,606,041	10,537,400	-

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31 March 2015

(expressed in Jamaican dollars unless otherwise indicated)

28. Financial Risk Management (Continued)

(d) Market risk (continued)

(ii) Interest rate risk (continued)

	2015					
	The Company					
	Within 3 Months	3 to 6 Months	6 to 12 Months	1 to 5 Years	Non interest Bearing	Total
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
At 31 March 2015:						
Assets						
Cash and cash equivalents	4,801,893	-	-	-	-	4,801,893
Loans and notes receivable	3,747,363	48,198	610,573	-	-	4,406,134
Securities purchased under agreements to resell	13,294,476	-	-	-	-	13,294,476
Investment securities	22,206,388	1,417,820	5,703,792	76,371,203	301,594	106,000,797
Total interest bearing assets	44,050,120	1,466,018	6,314,365	76,371,203	301,594	128,503,300
Liabilities						
Securities sold under agreements to repurchase	92,390,267	11,344,968	15,228,360	566,386	-	119,529,981
Notes payable	2,370,864	-	-	-	-	2,370,864
Redeemable preference shares	4,228,705	-	-	-	-	4,228,705
Other payables	-	-	-	-	424,351	424,351
Total interest bearing liabilities	98,989,836	11,344,968	15,228,360	566,386	424,351	126,553,901
Total interest sensitivity gap	(54,939,716)	(9,878,950)	(8,913,995)	75,804,817	(122,757)	1,949,399
Cumulative interest sensitivity gap	(54,939,716)	(64,818,666)	(73,732,661)	2,072,156	1,949,399	-

> Notes to the Financial Statements

31 March 2015

(expressed in Jamaican dollars unless otherwise indicated)

28. Financial Risk Management (Continued)

(d) Market risk (continued)

(ii) Interest rate risk (continued)

	2014					
	The Company					
	Within 3 Months	3 to 6 Months	6 to 12 Months	1 to 5 Years	Non interest Bearing	Total
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
At 31 March 2014:						
Assets						
Cash and cash equivalents	7,463,523	-	-	-	-	7,463,523
Loans and notes receivable	2,867,115	256,259	344,640	-	-	3,468,014
Securities purchased under agreements to resell	13,522,982	-	-	-	-	13,522,982
Investment securities	25,603,448	50,271	3,618,693	68,401,091	102,739	97,776,242
Total interest bearing assets	49,457,068	306,530	3,963,333	68,401,091	102,739	122,230,761
Liabilities						
Securities sold under agreements to repurchase	89,358,615	15,681,451	11,073,842	350,437	-	116,464,345
Notes payable	75,464	-	-	-	-	75,464
Redeemable preference shares	4,228,705	-	-	-	-	4,228,705
Other payables	-	-	-	-	369,121	369,121
Total interest bearing liabilities	93,662,784	15,681,451	11,073,842	350,437	369,121	121,137,635
Total interest sensitivity gap	(44,205,716)	(15,374,921)	(7,110,509)	68,050,654	(266,382)	1,093,126
Cumulative interest sensitivity gap	(44,205,716)	(59,580,637)	(66,691,146)	1,359,508	1,093,126	-

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31 March 2015

(expressed in Jamaican dollars unless otherwise indicated)

28. Financial Risk Management (Continued)

(d) Market risk (continued)

(ii) Interest rate risk (continued)

Interest rate sensitivity

The following table indicates the sensitivity to a reasonable possible change in interest rates, with all other variables held constant, on the Group's interest income in the profit and loss account and gains recognised in other comprehensive income.

The sensitivity of the profit or loss is the effect of the assumed changes in interest rates on net profit based on the floating rate financial assets and financial liabilities. The sensitivity of stockholders' equity is calculated by revaluing fixed rate available-for-sale financial assets for the gross effects of the assumed changes in interest rates. The correlation of a number of variables will have an impact on market risk. It should be noted that movements in these variables are non-linear and are assessed individually.

	The Group			
	Effect on Profit 2015	Effect on Equity 2015	Effect on Profit 2014	Effect on Equity 2014
	\$'000	\$'000	\$'000	\$'000
Change in basis points				
JMD/USD				
-100/-50	(245,879)	3,669,976	(444,300)	3,554,373
+ 250/+200	613,751	(10,386,868)	1,249,824	(10,056,533)

	The Company			
	Effect on Profit 2015	Effect on Equity 2015	Effect on Profit 2014	Effect on Equity 2014
	\$'000	\$'000	\$'000	\$'000
Change in basis points				
JMD/USD				
-100/-50	(212,293)	3,254,355	(390,461)	3,131,652
+ 250/+200	498,650	(8,793,639)	1,010,260	(7,704,336)

> Notes to the Financial Statements

31 March 2015

(expressed in Jamaican dollars unless otherwise indicated)

28. Financial Risk Management (Continued)

(d) Market risk (continued)

(ii) Interest rate risk (continued)

Equity price risk

Equity price risk arises on equity securities held by the Group as part of its investment portfolio. Management monitors the mix of debt and equity securities in its investment portfolio based on market expectations. The primary goal of the Group's investment strategy is to maximize investment returns while managing risk so as to minimize potential adverse effects on the Group's financial performance.

The Group's equity securities are listed on the Jamaica and Trinidad and Tobago Stock Exchanges. A 5% increase or decrease in quoted bid prices at the reporting date would result in an increase or decrease, respectively, in equity of \$15,565,736 (2014: \$9,669,886) for the Group and \$5,217,867 (2014: \$9,353,974) for the company.

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28. Financial Risk Management (Continued)

(e) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Group's operations.

The Group's objective is to manage operational risks so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall standards for the management of operational risk in the following areas:

- requirement for appropriate segregation of duties, including the independent authorisation of transactions;
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of control and procedures;
- requirement for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks indentified;
- requirements for the reporting of operational losses and proposed remedial action;
- development of a contingency plan;
- risk mitigation, including insurance where this is effective.

Compliance with the Group's standards is supported by a programme of periodic reviews undertaken by Internal Audit. The results of internal audit reviews are discussed with the management of the business unit to which they relate, with summaries submitted to senior management and the Audit Committee.

> Notes to the Financial Statements

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28. Financial Risk Management (Continued)

(f) Capital management

The Group's lead regulator, the Financial Services Commission (FSC), monitors the capital requirements for the Group as a whole.

The objectives when managing capital, which is a broader concept than the 'equity' on the face of the statement of financial position, are:

- (i) To comply with the capital requirements set by the regulators of the financial markets where the entities within the Group operate;
- (ii) To safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for stockholders and benefits for other stakeholders; and
- (iii) To maintain a strong capital base to support the development of its business.

Capital adequacy and the use of regulatory capital are monitored monthly by the Group's management based on the guidelines developed by the Financial Services Commission (FSC), Jamaica Stock Exchange (JSE) and the Risk Management Unit. The required information is filed with the respective Regulatory Authorities at stipulated intervals.

The regulated authorities requires each regulated entity to:

- (i) Hold the minimum level of the regulatory capital; and
- (ii) Maintain a minimum ratio of total regulatory capital to the risk-weighted assets.

The Group's regulatory capital is divided into two tiers:

- (i) Tier 1 capital: share capital, share premium, retained earnings, investment revaluation reserve and cumulative translation reserve.
- (ii) Tier 2 capital: redeemable preference shares and investment revaluation reserve.

The risk-weighted assets are determined according to specified requirements that seek to reflect the varying levels of risk attached to assets and off-balance sheet exposures.

There have been no material changes in the Group's management of capital during the period,

The regulated companies within the Group are: Jamaica Money Market Brokers Limited (JMMB), JMMB Securities Limited (JMMBSL), JMMB Fund Managers (JMMBFM), JMMB Insurance Brokers Limited (JMMBIB), JMMB Puesto de Bolsa, S.A, JMMB Merchant Bank Limited (JMMBMB) and Intercommercial Bank Limited (IBL), Intercommercial Trust and Merchant bank Limited (ITMBL), JMMB Investment (Trinidad and Tobago) Limited (JMMBTT) and AIC Securities Limited (AIC).

The table below summarises the composition of regulatory capital and the ratios of the regulated companies within the Group for the years ended 31 March 2015 and 31 March 2014.

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28. Financial Risk Management (Continued)

(f) Capital management (continued)

	JMMB 2015 J\$'000	JMMB 2014 J\$'000	JMMBSL 2015 J\$'000	JMMBSL 2014 J\$'000	JMMBIB 2015 J\$'000	JMMBIB 2014 J\$'000
Tier 1 capital	14,604,539	14,125,307	282	220	85,672	82,908
Tier 2 capital	1,175,487	2,021,228	-	39	-	-
Total regulatory capital	15,780,026	16,146,535	282	259	85,672	82,908
Risk-weighted assets:						
On-balance sheet	107,386,100	94,660,502	302	174	-	-
Foreign exchange exposure	4,427,356	594,078	133	164	-	-
Total risk-weighted assets	111,813,456	95,254,580	435	338	-	-
Actual regulatory capital to risk weighted assets	14%	17%	65%	77%	-	-
Required regulatory capital to risk weighted assets	10%	10%	10%	10%	-	-

	ITMBL 2015 J\$'000	ITMBL 2014 J\$'000	IBL 2015 J\$'000	IBL 2014 J\$'000	JMMBMB 2015 J\$'000	JMMBIB 2014 J\$'000
Regulatory capital -						
Tier 1 capital	23,036	22,389	109,125	106,059	4,581,869	4,541,939
Tier 2 capital	304	369	72,358	11,017	81,256	62,521
Total regulatory capital	23,340	22,758	181,483	117,076	4,663,125	4,604,460
Total required capital	-	-	-	-	2,687,184	2,547,666
Risk-weighted assets -						
On statement of financial position	39,698	46,179	915,240	840,006	24,629,073	22,456,448
Of statement of financial position	-	-	-	-	1,403,279	1,525,902
Foreign exchange exposure	-	-	-	-	839,489	1,694,308
	39,698	46,179	915,240	840,006	26,871,841	25,676,658
Actual regulatory capital to risk weighted assets	59%	49%	20%	14%	17%	18%
Required regulatory capital to risk weighted assets	10%	10%	10%	10%	10%	10%

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28. Financial Risk Management (Continued)

(f) Capital management (continued)

	JMMBFBM	
	2015 \$'000	2014 \$'000
Tier 1 capital	241,378	205,803
Tier 2 capital	-	-
Actual regulatory capital	241,378	205,803
Required level of regulatory capital	23,392	16,139
Total risk-weighted assets	167,085	115,258
Tier one capital ratio to total capital	145%	179%

The increase of the regulatory capital in 2015 for JMMBFBM is mainly due to the contribution of the current period profit.

- (i) The capital requirement for JMMBIB is to maintain a minimum capital base of \$10 million.
- (ii) The capital requirement for JMMB Puesto de Bolsa is RD\$5 million plus other reserve which is 5% of liquid profits. This subsidiary has exceeded all capital requirements.
- (iii) The capital requirement of JMMB Investments (Trinidad and Tobago) Limited and AIC Securities Limited is to maintain a minimum capital base of TT\$15 million and TT\$5 million respectively.

The individually regulated entities within the Group have complied with all externally imposed capital requirements throughout the year.

> Notes to the Financial Statements

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29. Financial Instruments – Fair Value

(a) Definition and measurement of fair values

The Group's accounting policies on measurement and disclosure require the measurement of fair values for financial assets and financial liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

When measuring fair value of an asset or liability, where a quoted market price is available, fair value is computed by the Group using the quoted bid price at the reporting date, without any deduction for transaction costs or other adjustments. Where a quoted market price is not available, fair value is computed using alternative techniques, making use of available input data; the Group uses observable data as far as possible. Fair values are categorised into different levels in a three-level fair value hierarchy, based on the degree to which the inputs used in the valuation techniques are observable. The different levels in the hierarchy have been defined as follows:

Level 1 refers to financial assets and financial liabilities that are measured by reference to published quotes in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Level 2 refers to financial assets and financial liabilities that are measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions, and for which pricing is obtained via pricing services, but where prices have not been determined in an active market. This includes financial assets with fair values based on broker quotes, investments in funds with fair values obtained via fund managers, and assets that are valued using a model whereby the majority of assumptions are market observable.

Level 3 refers to financial assets and financial liabilities that are measured using non-market observable inputs. This means that fair values are determined in whole or in part using a valuation technique (model) based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

There were no transfers between levels during the year.

> Notes to the Financial Statements

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29. Financial Instruments – Fair Value (Continued)

(b) Techniques for measuring fair value of investment securities classified as Level 2

Type of Financial Instrument	Method of estimating fair value
Cash and cash equivalents, other receivables, resale agreements, accounts payable, repurchase agreements, Bank of Jamaica certificates of deposit	Considered to approximate their carrying values, due to their short-term nature
Units in unit trusts	Prices quoted by unit trust managers
Non-Jamaican sovereign bonds and corporate bonds	Estimated using bid-prices published by major overseas brokers.
Government of Jamaica securities	
Traded overseas	Estimated using bid-prices published by major overseas brokers.
Other	Estimated using mid-market prices using JSDA yield curve.
Interest in money market fund	Considered to be the carrying value because of the short-term nature and variable interest rate.
Loans and notes receivable	Considered to be carrying value as the coupon rates approximates the market rate.
Notes payable	Considered to be carrying value as the coupon rate approximates the market rate.

(c) Accounting classifications and fair values

The following table shows the classification of financial assets and financial liabilities and their carrying amounts.

Where the carrying amounts of financial assets and financial liabilities are measured at fair value, their levels in the fair value hierarchy are also shown. Where the carrying amounts of financial assets and financial liabilities are not measured at fair value, and those carrying amounts are a reasonable approximation of fair value, fair value information (including amounts, and levels in the fair value hierarchy) is not disclosed.

> Notes to the Financial Statements

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29. Financial Instruments – Fair Value (Continued)

	The Group									
	2015					2014				
	Loan and receivables \$'000	Available-for-sale \$'000	At fair value through profit & loss account \$'000	Held to maturity \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets measured as fair value										
Ordinary shares quoted	-	310,937	50,362	-	-	361,299	361,299	-	-	361,299
Ordinary share unquoted	-	-	12,956	-	-	12,956	-	12,956	-	12,956
Certificate of Deposit Government of Jamaica	-	12,292,110	-	-	-	12,292,110	-	12,292,110	-	12,292,110
Securities	-	73,379,391	1,614	-	-	73,381,005	-	73,381,005	-	73,381,005
Credit default swap	-	-	469,145	8,803,785	-	9,272,930	-	9,272,930	-	9,272,930
Corporate Bonds	-	12,959,832	144,238	-	-	13,104,070	-	13,104,070	-	13,104,070
Foreign Government Securities	-	16,750,687	1,576,640	54,030	-	18,381,357	-	18,381,357	-	18,381,357
Money Market Funds	-	440,819	-	-	-	440,819	-	440,819	-	440,819
Units in Unit Trust	-	75,268	-	-	-	75,268	-	75,268	-	75,268
Other	-	1,294,771	-	-	-	1,294,771	-	1,294,771	-	1,294,771
	-	117,503,815	2,254,955	8,857,815	-	128,616,585	361,299	128,255,286	-	128,616,585
Financial assets not measured at fair value										
Cash and cash equivalent	18,672,388	-	-	-	-	18,672,388				
Security purchased under agreement to resell	272,596	-	-	-	-	272,596		272,596		
Government of Jamaica Securities	22,433,743	-	-	-	-	22,433,743		24,357,087		
Sovereign	213,053	-	-	-	-	213,053		83,357		
Corporate	6,181,731	-	-	-	-	6,181,731		6,272,813		
Loans receivable	31,924,543	-	-	-	-	31,924,543				
Other receivable	1,245,160	-	-	-	-	1,245,160				
	80,943,214	-	-	-	-	80,943,214				
Financial liabilities not measured at fair value										
Customer deposits	-	-	-	-	38,463,504	38,463,504				
Due to other banks	-	-	-	-	435,032	435,032				
Redeemable preference shares	-	-	-	-	4,228,705	4,228,705				
Other liabilities	-	-	-	-	2,362,486	2,362,486				
Securities sold under agreements to repurchase	-	-	-	-	144,501,658	144,501,658				
	-	-	-	-	189,991,385	189,991,385				

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(expressed in Jamaican dollars unless otherwise indicated)

29. Financial Instruments – Fair Value (Continued)

	The Group									
	2015					2014				
	Loan and receivables \$'000	Available-for-sale \$'000	At fair value through profit & loss account \$'000	Held-to-maturity \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets measured as fair value										
Ordinary shares quoted	-	219,550	182,903	-	-	402,453	402,453	-	-	402,453
Ordinary share unquoted	-	-	12,956	-	-	12,956	-	12,956	-	12,956
Certificate of Deposit Government of Jamaica	-	3,213,523	-	-	-	3,213,523	-	3,213,523	-	3,213,523
Securities	-	65,231,606	593,812	-	-	65,825,418	-	65,825,418	-	65,825,418
Credit default swap	-	-	663,456	-	-	663,456	-	663,456	-	663,456
Corporate Bonds	-	14,024,803	213,954	8,207,138	-	22,445,895	-	22,445,895	-	22,445,895
Foreign Government Securities	-	18,376,802	922,313	135,840	-	19,434,955	-	19,434,955	-	19,434,955
Money Market Funds	-	513,926	-	-	-	513,926	-	513,926	-	513,926
Units in Unit Trust	-	80,253	-	-	-	80,253	-	80,253	-	80,253
Other	-	834,899	-	-	-	834,899	-	834,899	-	834,899
	-	102,495,362	2,589,394	8,342,978	-	113,427,734	402,453	113,025,281	-	113,427,734
Financial assets not measured at fair value										
Cash and cash equivalent	23,326,420	-	-	-	-	23,326,420				
Security purchased under agreement to resell	652,986	-	-	-	-	652,986		652,986		
Government of Jamaica Securities	25,969,157	-	-	-	-	25,969,157		26,035,681		
Sovereign	195,887	-	-	-	-	195,887		146,872		
Corporate	6,184,948	-	-	-	-	6,184,948		5,574,977		
Loans receivable	26,551,175	-	-	-	-	26,551,175				
Other receivable	1,927,206	-	-	-	-	1,927,206				
	84,807,779	-	-	-	-	84,807,779				
Financial liabilities not measured at fair value										
Customer deposits	-	-	-	-	35,887,750	35,887,750				
Due to other banks	-	-	-	-	283,386	283,386				
Redeemable preference shares	-	-	-	-	4,228,705	4,228,705				
Other liabilities	-	-	-	-	2,068,641	2,068,641				
Securities sold under agreements to repurchase	-	-	-	-	143,302,425	143,302,425				
	-	-	-	-	185,770,907	185,770,907				

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31 March 2015

(expressed in Jamaican dollars unless otherwise indicated)

29. Financial Instruments – Fair Value (Continued)

	The Company									
	2015									
	Loan and receivables	Available-for-sale	At fair value through profit & loss account	Held-to-maturity	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets measured as fair value										
Ordinary shares quoted	-	57,054	-	-	-	57,054	57,054	-	-	57,054
Certificate of Deposit Government of Jamaica	-	10,830,897	-	-	-	10,830,897	-	10,830,897	-	10,830,897
Securities	-	69,598,277	1,614	-	-	69,599,891	-	85,995,355	-	69,599,891
Corporate Bonds	-	5,448,671	144,238	-	-	5,592,909	-	8,469,838	-	5,592,909
Foreign Government Securities	-	123,992	66,069	-	-	190,061	-	403,114	-	190,061
Money Market Funds	-	440,819	-	-	-	440,819	-	440,819	-	440,819
Unit in Unit Trust	-	22,075	-	-	-	22,075	-	22,075	-	22,075
	-	86,521,785	211,921	-	-	86,733,706	57,054	86,676,652	-	86,733,706
Financial assets not measured at fair value										
Cash and equivalent	4,801,893	-	-	-	-	4,801,893				
Security purchased under agreement to resell Government of Jamaica	13,294,476	-	-	-	-	13,294,476		13,294,476		
Securities Government of Jamaica	16,395,464	-	-	-	-	16,395,464		17,525,815		
guarantee	2,876,929	-	-	-	-	2,876,929		2,971,951		
Sovereign	213,053	-	-	-	-	213,053		83,357		
Loans receivable	4,406,134	-	-	-	-	4,406,134				
Other receivable	2,123,701	-	-	-	-	2,123,701				
	44,111,650	-	-	-	-	44,111,650				
Financial liabilities not measured at fair value										
Notes payable	-	-	-	-	2,370,864	2,370,864				
Redeemable preference shares	-	-	-	-	4,228,705	4,228,705				
Other liabilities	-	-	-	-	424,351	424,351				
Securities sold under agreements to repurchase	-	-	-	-	119,529,981	119,529,981				
	-	-	-	-	126,553,901	126,553,901				

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31 March 2015

(expressed in Jamaican dollars unless otherwise indicated)

29. Financial Instruments – Fair Value (Continued)

	The Company									
	2014									
	Loan and receivables	Available-for-sale	At fair value through profit & loss account	Held-to-maturity	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets measured as fair value										
Ordinary shares quoted	-	51,857	-	-	-	51,857	51,857	51,857	-	51,857
Certificate of Deposit Government of Jamaica	-	2,515,739	-	-	-	2,515,739	-	2,515,739	-	2,515,739
Securities	-	60,596,560	593,812	-	-	61,190,372	-	61,190,372	-	61,190,372
Corporate Bonds	-	9,583,062	213,954	-	-	9,797,016	-	9,797,016	-	433,086
Foreign Government Securities	-	84,458	348,628	-	-	433,086	-	433,086	-	433,086
Money Market Funds	-	508,688	-	-	-	508,688	-	508,688	-	508,688
Unit in Unit Trust	-	50,882	-	-	-	50,882	-	50,882	-	50,882
	23,228,602	73,391,246	1,156,394	-	-	74,547,640	51,857	74,495,783	-	74,547,640
Financial assets not measured at fair value										
Cash and cash equivalent	7,463,523	-	-	-	-	7,463,523				
Security purchased under agreement to resell Government of Jamaica	13,522,982	-	-	-	-	13,522,982		13,522,982		
Securities Government of Jamaica	20,030,547	-	-	-	-	20,030,547		20,010,132		
guarantee	2,997,918	-	-	-	-	2,997,918		2,793,397		
Sovereign	195,887	-	-	-	-	195,887		146,872		
Other	4,250	-	-	-	-	4,250		4,278		
Loans receivable	3,468,014	-	-	-	-	3,468,014				
Other receivable	2,105,891	-	-	-	-	2,105,891				
	49,789,012	-	-	-	-	49,789,012				
Financial liabilities not measured at fair value										
Notes payable	-	-	-	-	75,464	75,464				
Redeemable preference shares	-	-	-	-	4,228,705	4,228,705				
Other liabilities	-	-	-	-	369,121	369,121				
Securities sold under agreements to repurchase	-	-	-	-	116,464,345	116,464,345				
	-	-	-	-	121,137,635	121,137,635				

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30. Post-employment Benefits

Pensions are the only post-employment benefits to which the Group is committed. To better secure the payment of promised benefits, the company operates a defined-contribution pension plan for the Group's Jamaican employees who have satisfied certain minimum service requirements. The Fund is financed by equal contributions of employer and employees of 5% of pensionable salaries with an option for employees to contribute up to an additional 10% of pensionable salaries.

The Fund is administered by trustees and the assets are held separately from those of the Group, except for some of the assets which are included in funds being managed by the company (Note 31). Under the rules of the Fund, an actuarial valuation should be carried out by the appointed actuaries every three years. An actuarial valuation of the Fund was done as at 31 December 2011 by ACTMAN International Limited, independent actuaries, revealed a funding surplus, a portion of which the trustees allocated to the members' accounts.

The contributions for the year amounted to \$128,062,000 (2014: \$88,735,000) for the Group and \$51,604,000 (2014: \$46,673,000) for the company.

The pension benefit is the annuity that can be purchased by the amount standing to the credit of the member's account at the date of retirement.

31. Managed Funds

The Group acts as agent and earns fees for managing clients' funds on a non-recourse basis under a management agreement. This includes some of the assets of the Group's pension scheme (Note 30). Although the Group is the custodian of the securities in which the clients participate, it has no legal or equitable right or interest in these securities. Accordingly, the securities in which the client's funds are invested have been excluded from these financial statements.

At 31 March 2015, for the Group and the company, funds managed in this way amounted to \$58,664,469,000 (2014: \$37,140,776,000) which includes assets of the Group's pension scheme (Note 30), amounting to \$355,920,000 (2014: \$105,450,000) for the Group and the company. The financial statements included the following assets held in (liabilities payable to) the managed funds:

	The Group		The Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Investments	440,819	508,688	410,819	508,688
Interest payable	(57,018)	(553)	(57,018)	(553)
Securities sold under agreements to repurchase	(25,578,798)	(13,080,333)	(25,578,798)	(13,080,333)
Customer deposits	(1,597,611)	(549,951)	-	-

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32. Contingencies and Commitments

Operating leases

The Group has entered into several lease agreements for rental of offices. The amount charged in the profit and loss account during the year is \$220,925,000 (2014: \$113,446,000).

The total annual commitment to be paid is as follows:

	The Group	
	2015 \$'000	2014 \$'000
2015	253,345	134,404
2016	158,542	123,970
2017	150,932	123,773
2018	117,339	117,417
2019	117,077	117,417
Over 5 years	634,997	615,966

33. Group Reorganisation

On 13 April 2015, Jamaica Money Market Brokers Limited under an approved Scheme of Arrangement were delisted from the Jamaica Stock Exchange (JSE), Barbados Stock Exchange (BSE) and Trinidad & Tobago Stock Exchange (TTSE). Simultaneously the ordinary shares of the new ultimate Parent company JMMB Group Limited were listed on those exchanges. The mechanics of the scheme involved the following:

- The 1,630,552,530 existing JMMB ordinary shares held by members of the public being cancelled and simultaneously 1,630,552,530 new ordinary shares issued to JMMB Group Limited, making Jamaica Money Market Brokers Limited (JMMB) a wholly owned subsidiary of JMMB Group Limited (JMMB Group).
- In consideration of the cancellation of the existing JMMB ordinary shares, JMMB Group Limited issued ordinary shares for the benefit of each eligible person (credited and fully paid up) distributed at a rate of one new JMMB Group ordinary share for each cancelled JMMB ordinary share.
- JMMB Group applying and listing its ordinary shares on the JSE, TTSE and BSE:

The main reasons for the reorganisation of the current group structure were as follows:

- Several companies within the JMMB Group operate in the financial services sector, and there is a great deal of overlap between some member companies. It is therefore intended that the new Group structure will eliminate those overlaps and allow the combined Group to be optimally structured to take advantage of operational and strategic synergies as well as to reduce costs of administration.

> Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

33. Group Reorganisation (Continued)

The main reasons for the reorganisation of the current group structure were as follows: (continued)

- (ii) Inclusion within the combined Group, an entity listed under the Financial Institutions Act of Jamaica (the FIA) and therefore subject to the supervision of the Bank of Jamaica (BOJ) pursuant to Section 29 of the FIA. The combined Group must be structured in a way that permits the BOJ to effectively carry out its supervisory mandate under the FIA. The approved Group structure allows JMMB Group Limited to be an approved financial holding company and facilitates full and unhindered access by BOJ to information from all members of the Group.

There was no financial impact to the Group financial results as a result of the reorganisation.